



Annual Report 2023

FINANCIAL HIGHLIGHTS 2023



**Gross Premiums
Written**

Rs. 5.5 Billion



Underwriting Profit

Rs. 173 Million



Shareholder's Equity

Rs. 2,749 Million



Investments

Rs. 3,717 Million



Profit After Tax

Rs. 433 Million



Earnings Per Share

Rs. 6.02



Investment Income

Rs. 450 Million



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CORPORATE INFORMATION

Board of Directors

Lt Gen Nauman Mahmood (Retd)
Chairman
Maj Gen Kamran Ali (Retd)
Member
Rizwan Ullah Khan
Member
Brig Mukhtar Ahmed (Retd)
Member
Malik Riffat Mahmood
Member
Mr. M. Munir Malik
Member
Mr. Imran Iqbal
Member
Ms. Saima Akbar Khattak
Member

President & Chief Executive Officer

Mr. Abdul Waheed

Chief Financial Officer

Mr. Suleman Khalid

Company Secretary

Mr. Waqas Ali

Head of Internal Audit

Mr. Ali Noor

Executive, Risk Management & Compliance Committee

Maj Gen Kamran Ali (Retd)
Chairman
Rizwan Ullah Khan
Member
Brig Mukhtar Ahmed (Retd)
Member
Mr. Abdul Waheed
Member

Audit Committee

Mr. M. Munir Malik
Chairman
Malik Riffat Mahmood
Member
Brig Mukhtar Ahmed (Retd)
Member

Ethics, Human Resource and Remuneration Committee

Mr. Imran Iqbal
Chairman
Brig Mukhtar Ahmed (Retd)
Member
Mr. Abdul Waheed
Member

Underwriting, Reinsurance & Coinsurance Committee

Maj Gen Kamran Ali (Retd)
Chairman
Mr. Zaheer Abbas
Member
Mr. Shahzad Ameer
Member
Mr. Shahzad Munir
Member

Claims Settlement Committee

Malik Riffat Mahmood
Chairman
Mr. Abdul Waheed
Member
Mr. M. Qasim
Member
Mr. Nadeem Ahmad
Member

Investment Committee

Malik Riffat Mahmood
Chairman
Mr. M. Munir Malik
Member
Mr. Abdul Waheed
Member
Mr. Suleman Khalid
Member
Mr. Shahid Qayyum
Member

External Auditors

Yousuf Adil Chartered Accountants
Islamabad

Shariah Compliance Auditors

S.M. Suhail & Co.
Chartered Accountants
Islamabad

Shariah Advisor

Mufti Ehsan Waquar

Legal Advisors

Hassan Kaunain Nafees

Bankers

Askari Bank Limited
Allied Bank Limited
Habib Bank Limited
The Bank of Punjab
Bank Alfalah Limited
Summit Bank Limited
NRSP Microfinance Bank Limited
Silk Bank Limited
Faysal Bank Limited
Bank Al Habib Limited
Meezan Bank Limited
Finca Microfinance Bank Limited
Zarai Taraqiati Bank Limited
Samba Bank Limited
United Bank Limited
U Microfinance Bank Limited
JS Bank Limited
The Bank of Khyber
Al Baraka Bank Limited
Punjab Provincial Cooperative Bank Limited
MCB Bank Limited
Bank of Azad Jamu & Kashmir

Registrar & Share Transfer Office

THK Associates (Private) Limited
32-C, Jami Commercial Street # 2,
DHA Phase 7, Karachi 75400, Pakistan.
PABX: +92 (021) 111-000-322
Direct: +92 (021) 35310188
Fax: +92 (021) 35310191

Registered Office/Head Office

3rd Floor, AWT Plaza, The Mall,
Rawalpindi, Pakistan
Ph: +92-51-9028101-2
Fax: +92-51-9272424
Email: info@agico.com.pk

OUR BOARD OF DIRECTORS



Lt Gen Nauman Mahmood
Chairman (Retd)



Maj Gen Kamran Ali
(Retd)



Mr. Rizwan Ullah Khan



Brig Mukhtar Ahmed
(Retd)



Malik Riffat Mahmood



Mr. Imran Iqbal



Mr. M. Munir Malik



Ms. Saima Akbar Khattak



VISION

The vision of askari general insurance company limited (agico) is to be amongst the leading insurance companies of the country with the clear perception of upholding the principles of corporate governance and making agico a profitable and growth oriented insurance company while creating insurance awareness and culture.





A close-up photograph of a person's hand holding a glowing, translucent globe of the Earth. The hand is positioned in the lower-left quadrant, with fingers gently cradling the globe. The globe is illuminated from within, showing the continents and oceans in a bright, ethereal light. The background is a dark, deep blue, with soft, out-of-focus light patterns that suggest a professional or corporate setting. The overall mood is one of global responsibility and forward-looking vision.

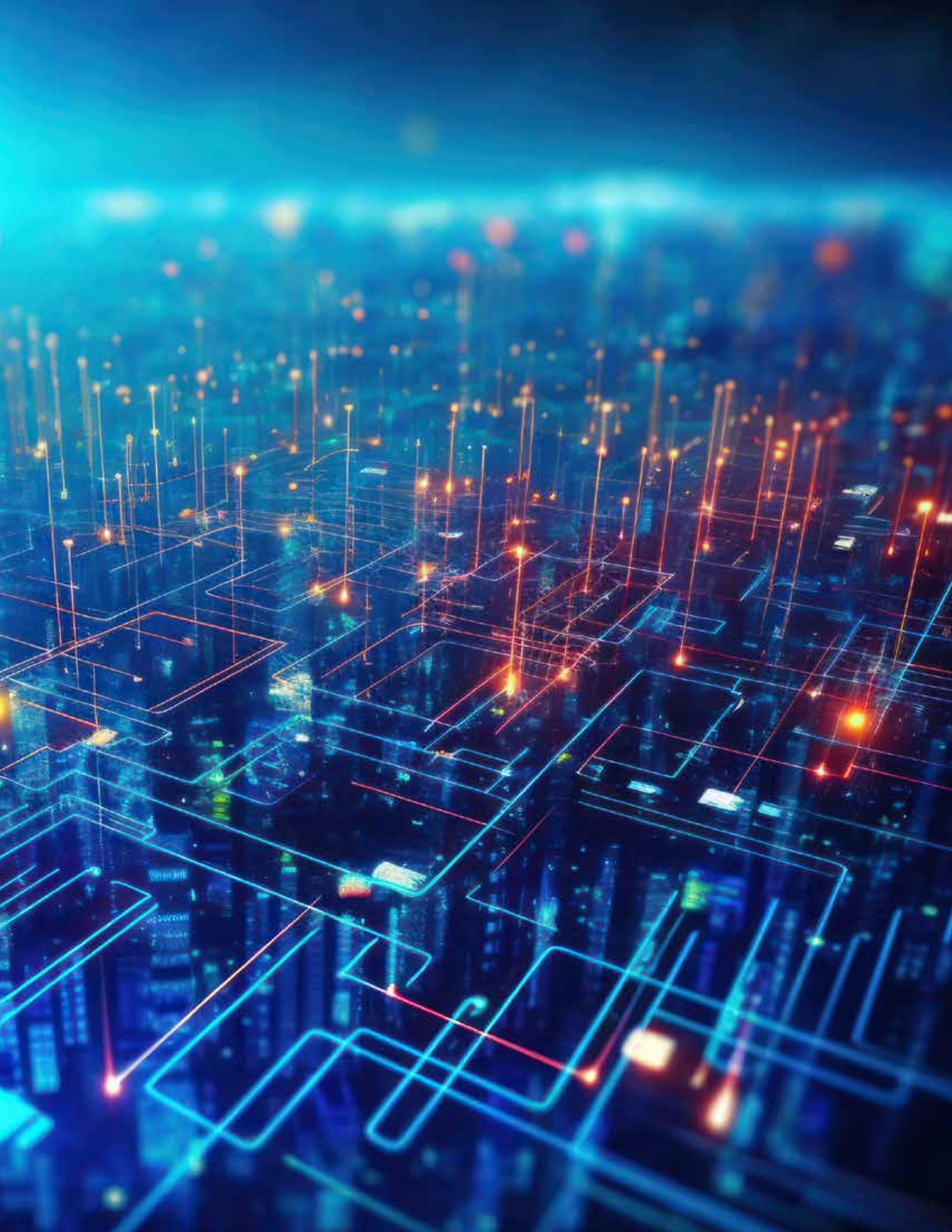
MISSION

To become a leading insurance company by providing client friendly services through highly motivated team of dedicated professionals and ensuring progressive return to the shareholders.

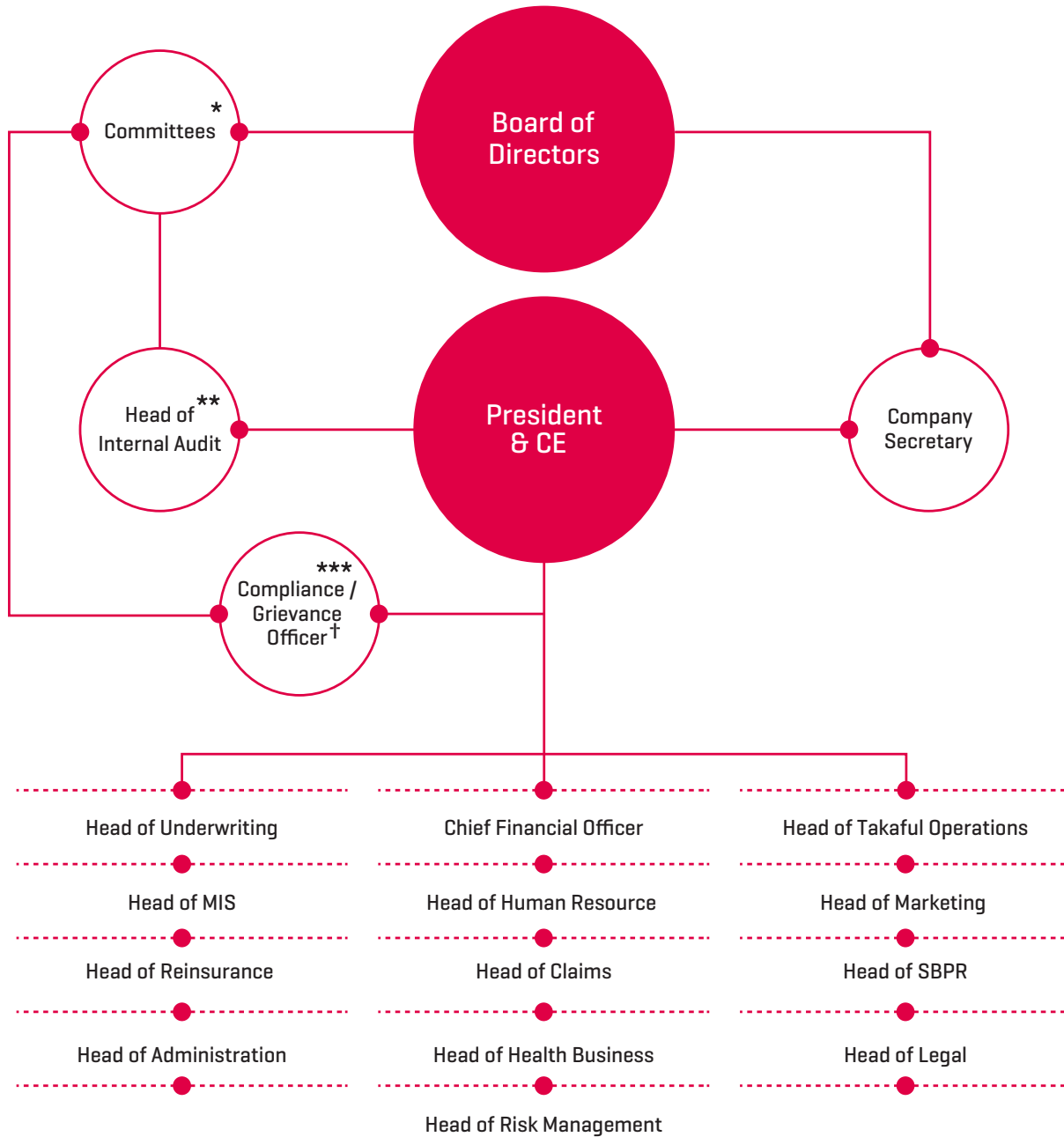
OUR PRODUCTS







ORGANIZATIONAL STRUCTURE



*Committees include the following:-

- Audit Committee
- Executive, Risk Management & Compliance Committee
- Ethics, Human Resource and Remuneration Committee
- Underwriting, Reinsurance & Coinsurance Committee
- Claims Settlement Committee
- Investment Committee

** Internal Audit functionally reports to the Audit Committee

*** Compliance Officer functionally reports to the Executive, Risk Management & Compliance Committee

† Grievance Officer functionally reports to Claims Settlement Committee

OUR MANAGEMENT

Rana Shahbaz Ahmed
Head of Marketing

Mr. Mustafa Salman Pasha
Head of Strategic Business
Planning & Relations

Mr. Zahid Mehmood Chaudhry
Head of Human Resource

Mr. Suleman Khalid
Chief Financial Officer



Mr. Anwar Ahmed Malik
Head of Compliance /
Grievance Function

Mr. Shahzad Ameer
Head of Reinsurance

Mr. Zaheer Abbas
Head of Underwriting

Mr. Muhammad Qasim
Head of Claims



OUR MANAGEMENT

Mr. Muhammad Hassan Shafique
Head of Risk Management

Mr. Raza Ali
Head of Takaful Operations

Mr. Shahzad Munir
Head of Health Underwriting

Mr. Hassan Aziz Rana
Head of Legal Affairs



Mr. Hassan Tahir
Head of MIS

Mr. Waqas Ali
Company Secretary

Mr. Nadeem Ahmad
Head of Health Claims



CHAIRMAN'S REVIEW

Esteemed Shareholders,

I am pleased to present this review on the performance of Askari General Insurance Company Limited during yet another challenging year for businesses due to economic and political challenges in Pakistan. I will be sharing the role played by the Board of Directors in dealing with these challenges.

During the year 2023, we remained committed towards our internal and external stakeholders. Our priority was to continue the growth trajectory we have built over the past decade. Our management team was able to achieve the highest-ever Gross Premium Written of Rs 5.5 billion, which reflects an increase of 23% over last year. The Board continues to provide guidance towards managing macro and micro risks associated with the business environment.

PKR depreciation faced during year 2023 contributed negatively to the operational performance of the company by triggering high inflation, rising claim costs, and ultimately undermining the profit margins. However, to counter high inflation, the policy rate was increased to 22%, which positively impacted the investment income of the Company.

Despite retrospective application of an additional 6% Super Tax, the Board remained committed towards shareholder returns and recommended a final cash dividend of 32.5% (Rs. 3.25 per share) for the year 2023.

We are grateful to our clients and shareholders for their continued trust, which has been the cornerstone of our continued success. I would also like to thank the Securities & Exchange Commission of Pakistan, Insurance Association of Pakistan, and our reinsurers for their continued support.

I am confident that the Company will continue to overcome the challenges and continue its growth trajectory under the governance of its Board of Directors.

Lt Gen Nauman Mahmood (Retd)

Chairman

Rawalpindi

March 14, 2023

چیئر مین کا جائزہ 2023

عسکری جنرل انشورنس کمپنی لمیٹڈ

معزز شراکت دار

مجھے پاکستان میں معاشی اور سیاسی چیلنجوں کی وجہ سے کاروباروں کے لیے ایک اور مشکل سال کے دوران عسکری جنرل انشورنس کمپنی لمیٹڈ کی کارکردگی پر یہ جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔ میں ان چیلنجوں سے نمٹنے میں بورڈ آف ڈائریکٹرز کے ذریعے ادا کیے گئے کردار کا اشتراک کروں گا۔

سال 2023 کے دوران ہم اپنے اندرونی اور بیرونی حصہ داران کے لیے پر عزم رہے۔ ہماری ترجیح ترقی کی رفتار کو جاری رکھنا تھی جسے ہم نے گزشتہ دہائی میں بنایا ہے۔ ہماری انتظامی ٹیم 5.5 بلین روپے کی اب تک کی سب سے زیادہ مجموعی تحریری پریم حاصل کرنے میں کامیاب رہی، جو پچھلے سال کے مقابلے میں 23 فیصد اضافے کو ظاہر کرتی ہے۔ بورڈ کاروباری ماحول سے وابستہ میکر و اور مائیکرو خطرات کے انتظام کے لیے رہنمائی فراہم کرتا ہے۔

سال 2023 کے دوران پاکستانی روپے کی قدر میں کمی بلند افراط زر، بڑھتے ہوئے دعوے کی لاگت اور بالآخر منافع کی شرح کو کم کر کے آپریشنل کارکردگی میں منفی کردار ادا کیا۔ تاہم بلند افراط زر کا مقابلہ کرنے کے لیے پالیسی کی شرح 22 فیصد تک بڑھادی گئی جس نے کمپنی کی سرمایہ کاری کی آمدنی پر مثبت اثر ڈالا۔

اضافی 6 فیصد سپر ٹیکس کے سابقہ اطلاق کے باوجود بورڈ شراکت داروں کو منافع کی تقسیم کے لیے پر عزم رہا۔ اور سال 2023 کے لیے 32.5 فیصد (3.25 روپے فی حصہ) کے حتمی نقد منافع کی سفارش کی۔

ہم اپنے گاہکوں اور شراکت داروں کے ان کے مسلسل اعتماد کے لیے شکرگزار ہیں، جو ہماری مسلسل کامیابی کا سنگ بنیاد ہے۔ میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، انشورنس ایسوسی ایشن آف پاکستان، اور ہمارے ری بیمہ کنندگان کی بھی ان کی مسلسل حمایت کے لیے شکر یہ ادا کرنا چاہوں گا۔

مجھے یقین ہے کہ کمپنی چیلنجوں پر قابو پانے اور اپنے بورڈ آف ڈائریکٹرز کی گورننس کے تحت اپنی ترقی کی رفتار کو جاری رکھے گی۔

لیفٹیننٹ جنرل نعمان محمود (ریٹائرڈ)

چیئر مین

راولپنڈی

14 مارچ 2024



PRESIDENT'S MESSAGE

Dear Esteemed Shareholders,

As we sail through year 2024, I am honored to reflect on the journey we undertook in FY 2023 and to share our aspirations for the future at Askari General Insurance Company Limited.

The year 2023 posed its unique set of challenges and opportunities, and I am immensely proud of how we navigated through them with resilience, adaptability, and unwavering commitment to our mission of serving our clients.

Challenges of year 2023 were led by a sharp depreciation of the Pakistani rupee against USD which triggered high inflation that resulted in increased cost of claims for the Company. On the flip side, a high policy rate of 22% to counter high inflation, increased the investment income of the Company. Ultimately, the Company was able to register its highest ever profits despite staggering taxes.

At the heart of our operations lies a spirit of innovation and forward thinking. In FY 2023, we continued to embrace new technologies and digital solutions to enhance our service quality, streamline processes, and create greater value for our clients. From online policy management to personalized risk assessments, we are committed to leveraging technology to make insurance more accessible, convenient, and transparent for everyone.

Furthermore, our success would not have been possible without the unwavering dedication and expertise of our talented team members. Their relentless commitment to excellence, professionalism, and client satisfaction sets us apart in the industry and drives us to continuously raise the bar for ourselves.

Looking ahead, the year 2024 holds immense promise and potential for Pakistan. As we embark on this new chapter, we remain steadfast in our commitment to driving positive change, fostering innovation, and exceeding the expectations of our stakeholders.

Thank you, our clients, employees, business partners and regulators, for your continued trust, support, and partnership. We are honored to serve you and look forward to achieving even greater milestones together in the years to come.

Wishing you all a prosperous and fulfilling year ahead.

Warm regards,



Mr. Abdul Waheed
President & Chief Executive

DIRECTORS' REPORT

Unconsolidated financial information for the year 2023

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Askari General Insurance Company Limited (the Company) along with Audited Unconsolidated Financial Statements and the Auditors' Report thereon for the year ended December 31st, 2023.

ECONOMIC REVIEW

During the year 2023, Pakistan went through unprecedented economic and political challenges. PKR fell sharply against the USD which, along with a sharp increase in energy prices, triggered high inflation and the policy rate was increased to 22% in response. A slow-down of economic growth followed.

The general insurance industry was adversely impacted by high inflation in the form of higher claims costs and reduced demand. Higher interest rates, on the other hand, provided a hedge in the form of improved investment returns. PKR depreciation against USD and low FOREX reserves increased the reinsurance costs for the industry.

AGICO in 2023

The Company, despite challenging economic conditions, successfully managed to underwrite a gross premium of Rs. 5.5 billion (inclusive of Rs. 642 million of Window Takaful contribution) in the year 2023 (2022: Rs. 4.5 billion inclusive of Rs. 457 million of Window Takaful contribution). Its investment income surged by 68% and ultimately it registered a Profit Before Tax of Rs. 772 million (2022: Rs. 540 million). After taking impact of additional retrospective Super Tax of 6%, the Profit after tax and Earning Per Share (EPS) arrived at Rs. 433 million (2022: Rs. 347 million) and Rs. 6.02 (2022: Rs. 4.82) per share in the year 2023.

KEY HIGHLIGHTS

CREDIT RATING

The Company has maintained Insurer Financial Strength Rating of "AA+", awarded by both Pakistan Credit Rating Company Limited (PACRA) and VIS on 7 February 2024 and 29 February 2024 respectively, with Stable future outlook.

DIGITAL INITIATIVES

At the heart of AGICO's strategic initiative lies an unwavering commitment to technological advancement, driving significant investments aimed at both fortifying existing systems and pioneering new capabilities.

Central to this ethos is the comprehensive Enterprise Architectural Revamp to elevate levels of automation and regulatory oversight.

A standout accomplishment stemming from this initiative during the year is the successful rollout of the new Motor Claims Management System. This innovative system serves as a unified platform, seamlessly integrating all stakeholders into a cohesive ecosystem, thereby facilitating a seamless transition towards a paperless workflow paradigm. Notably, it enables real-time interactions with surveyors and streamlined information provision to workshops, revolutionizing the efficiency and transparency of

claims processing.

In parallel, AGICO has introduced a customer-centric self-service portal tailored to the unique needs of its clientele. This intuitive platform, designed for effortless Motor & Travel policy purchases, is seamlessly integrated with Self Inspection and Payment Gateway functionalities, catalyzing a notable surge in direct sales and fostering unparalleled customer satisfaction.

Moreover, AGICO has prioritized the empowerment of its marketing agents and stakeholders through the introduction of a dynamic business portal. This interactive platform facilitates comprehensive business comparisons, leveraging historical data to illuminate areas of improvement and opportunity. Equipped with granular insights extending down to individual policies, executives are empowered to make informed decisions that drive sustained growth and performance.

Recognizing the pivotal role of effective grievance management in maintaining customer satisfaction, AGICO has launched an e-grievance portal. This user-friendly platform empowers clients to seamlessly submit and track complaints, with streamlined integration across all requisite departments, ensuring prompt and effective resolution.

Additionally, AGICO has expanded its service portfolio to include dedicated portals tailored to the unique needs of health corporates and individuals. These bespoke platforms offer a comprehensive suite of features, enabling users to access policy details and submit claims with utmost convenience and efficiency.

Furthermore, AGICO has demonstrated unwavering diligence in fortifying its cybersecurity framework, in strict adherence to guidelines laid out by SECP and international best practices. Leveraging cutting-edge technologies such as new Firewalls, Antivirus software, and SIEM tools, AGICO stands resolute in its commitment to preempt, detect, and mitigate cyber threats, safeguarding sensitive data and preserving stakeholder trust.

LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 & CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016

Listed Companies (Code of Corporate Governance) Regulations, 2019 (Regulations) and Code of Corporate Governance for Insurers, 2016 are applicable to the Company. The Company has duly complied with the provisions of these Regulations. A Statement of Compliance in this regard can be viewed on page 65.

DIVIDEND DISTRIBUTION

The Board of Directors has recommended a final cash dividend of Rs. 3.25 per share to the shareholders whose names appear in the share register of the Company at the start of the book closure period.

PERFORMANCE REVIEW

The key performance indicators of the Company are summarized below:

	31 December	
	2023	2022
	(Rupees in thousand)	
Gross premium written (Inclusive of Takaful Contribution)	5,550,192	4,500,148
Net premium revenue	2,851,209	2,427,948
Net claims	1,794,055	1,548,190
Underwriting profit	173,233	186,438
Investment, Rental and other income	528,419	326,990
Profit before tax - General Insurance Operations	667,922	478,662
Profit before tax - Window Takaful Operations (OPF)	105,504	61,369
Profit after tax	432,518	346,590
Earnings per share (Rs.)	6.02	4.82

SEGMENT WISE PERFORMANCE ANALYSIS

The segment wise performance analysis for each class of business is as follows:

Accident & Health

The accident & health segment registered a considerable growth of 34% and became the leading contributor in overall business with gross premium written of Rs. 1.39 billion (2022: Rs. 1.04 billion). The business mix of this segment is 28% of total gross premium written in the year 2023. This segment contributed gross margins of Rs. 51 million (2022: Rs 112 million). The decline in profitability was mainly associated with an increase in the cost of claims due to high inflation during the year.

Motor

The motor segment registered a growth of 16% in business, driven primarily by the significant increase in car prices during the year. Its gross premium written was 25% of the total Gross Premiums Written and amounted to Rs. 1.25 billion (2022: Rs. 1.07 billion). This segment contributed gross margins of Rs. 551 million (2022: Rs 457 million). The increase in profitability was due to a considerably higher increase in the premiums than the increase in the cost of claims due to efficient claim management.

Fire & Property Damage

Gross premium underwritten for this segment was Rs. 910 million in the year 2023 (2022: Rs. 689 million). This segment contributed 19% towards total gross premium of the Company in the year 2023. The contribution from this segment in the year 2023 was Rs. 103 million (2022: Rs. 85 million). Gross premiums in this segment increased by 32%; however, most of the increase was consumed in the reinsurance expense ultimately registering 21.18 % increase in the contribution margin.

Marine, Aviation & Transport

This segment contributed around 10% to our total business underwritten in 2023 with gross premium underwritten of Rs.

502 million (2022: Rs. 302 million). This segment reported the contribution of Rs. 157 million in the year 2023 (2022: Rs. 85 million). A sharp surge in the profits was due to some specific international marine insurance transactions during the year, which earned healthy profits for the Company.

Miscellaneous

This segment comprises of engineering insurance, bond insurance, crop insurance, travel insurance etc. Business mix of this segment is 17% of underwritten business in 2023 with gross premium underwritten of Rs. 858 million in 2023 (2022: Rs. 936 million). This segment reported the contribution of Rs. 218 million (2022: Rs. 201 million).

Investment, Rental and other Income

Overall Investment and other income increased by 62% to Rs. 528 million in the year 2023, as compared to Rs. 327 million for the year 2022. Sharp increase in investment and other income was due to high policy rate of 22%. Gains in KSE-100 index also enabled the Company to realize some gains during the year, besides having unrealized gains at the end of year 2023.

WINDOW TAKAFUL OPERATIONS

Window Takaful Operations (WTO) have been witnessing increasing business volume and profitability and we expect the trend to continue in the coming years as well.

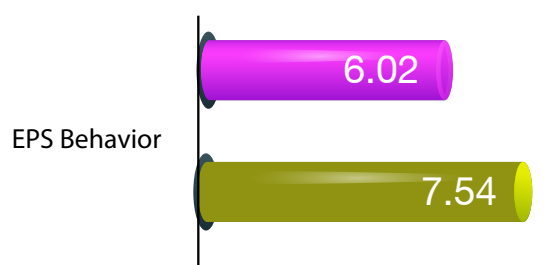
The written contribution from WTO during 2023 was Rs. 642 million (2022: Rs. 458 million) while the profit from Operator's Fund for the year 2023 was Rs. 105 million as compared to Rs. 61 million in the year 2022.

Overall, almost similar factors played out for the growth in business and in gross contribution profits in Takaful operations, as for the conventional insurance portfolio.

IMPACT OF SUPER TAX

During FY 2023, the Company effectively paid tax at the rate of 45% which has impacted the Company's profit after tax by restricting it to Rs. 432 million after provisioning for super tax at 10% on the current year and additionally 6% retrospectively on the previous year (FY 2022) as explained in Table 2 below. Had the super tax not been charged on the Company, its EPS would have been Rs. 7.54 per share rather than the currently reported EPS of Rs. 6.02.

Description	Rs. In Thousands
Profit Before Tax	772,426
Provision for Tax* (See breakup below)	(339,908)
Profit After Tax	432,518



DIRECTORS' REPORT

Unconsolidated financial information for the year 2023

Table 2 - *Provision for Tax - Break up

Description	Rs. In Thousands
Corporate Tax - Current Year	235,311
Super Tax - Current Year	81,142
Super Tax - Previous Year	32,402
Deferred Tax	(8,947)
Provision for Tax	339,908

CONTRACT FOR TRACKING AND OTHER SERVICES

In accordance with section 208(2) of Companies Act, 2017, we would like to inform the shareholders that the Company has continued its contract for provision of tracking and other services with Asktech (Pvt.) Ltd, a subsidiary of the Company. Tracking services have been sought to minimize the risks in the motor insurance business. We have ensured that the transactions with the said company are at arm's length.

AUDITORS

External Auditors

Yousaf Adil Chartered Accountants audited the financial statements of the Company for the year 2023 and being re-eligible, presented themselves for reappointment.

In line with the requirement of the Code and the Regulations, the Board Audit Committee has recommended the appointment of Yousaf Adil Chartered Accountants, as the External Auditors for the year 2024, and the Board endorses this recommendation.

Shariah Compliance Auditors

S.M. Suhail & Co. Chartered Accountants, being re-eligible for reappointment, as Shariah Compliance Auditors of the company, as required under Takaful Rules 2012, presented themselves for reappointment and the Board on the recommendation of Board Audit Committee has approved the appointment of S.M Suhail & Co. Chartered Accountants, as the Shariah Compliance Auditors for the year 2024.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Statement of Directors Responsibilities

In compliance with the Corporate and Financial Reporting Framework of the Code of Corporate Governance, the Directors confirm the following:

- The financial statements, together with the notes forming an integral part of these statements, have been prepared by the management of the Company in conformity with the Companies Act, 2017 and the Insurance Ordinance 2000, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of these financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, International

Financial Reporting Standards or any other regulation or law (including but not limited to the Shariah guidelines I principles) as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

- The system of internal controls is sound in design and has been effectively implemented and monitored throughout the year.
- There are no significant doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as of 31 December 2023, except as disclosed in the financial statements. All such dues primarily related to the dues of last month of the financial year 2023 and were subsequently deposited in Government treasury in time.
- The related party transactions are approved or ratified by the Audit Committee and the Board of Directors.

Board Performance Evaluation

The Company's Board of Directors undergoes a self-evaluation exercise each year against a set of parameters. This evaluation is performed primarily to assist the Board in evaluating its quality of governance as it enables the Board members to perform their roles and responsibilities more effectively towards the progress of your Company. This self-evaluation is carried out under an evaluation methodology based on certain parameters.

The evaluation exercise addresses areas of critical importance which include, but are not limited to, the following:

- Appraising the basic organization of the Board of Directors
- Assessment of overall roles and responsibilities of the Board members
- Effectiveness and efficiency of the operation of the Board and its Committees; and
- Assess performance and participation of individual Board members.

The result of the Board's self-assessment of its overall performance was satisfactory against the set criteria.

Directors' Remuneration Policy

To comply with the relevant legal requirements and Articles of Association, the Company has policy with respect to the remuneration of Chairman, Non-Executive, Executive and Independent Directors. Directors are only paid a fee for attending the meetings of the Board and its sub-committees and are also reimbursed for expenses borne by them in that regard, as per the Articles of Association.

Key Financial Data

Key operational and financial data for the last 6 years is annexed at page 60 of the Annual Report.

Value of investments in Provident Fund and Gratuity Fund

The value of investments in provident fund and gratuity fund, on the basis of audited accounts, as of 31 December 2023 was:

Name of Fund	2023	2022
	Rupees in Millions	
Employees' Provident Fund	170	134
Employees' Gratuity Fund	232	181

Composition of Board

At present, the total number of directors are Nine (09) as per the following:

a.	Male	Eight (08)
b.	Female	One (01)

Category	Name of Director
Independent Directors	Mr. M. Munir Malik Mr. Imran Iqbal
Independent Female Director	Ms. Saima Akbar Khattak
Non-Executive Directors	Lt Gen Nauman Mahmood (Retd) Maj Gen Kamran Ali (Retd) Rizwan Ullah Khan Brig Mukhtar Ahmed (Retd) Malik Riffat Mahmood
Executive Directors	Mr. Abdul Waheed

The number of elected/nominated directors on the Board are eight (8) whereas the Chief Executive is a "deemed director" under section 183(3) of the Companies Act, 2017.

Subsequent to the year end, two non-executive directors of the Company, Lt Gen Naveed Mukhtar (Retd) and AVM Mohammad Athar Shams (Retd) resigned from the directorship on January 16, 2024, and January 31, 2024, respectively and casual vacancies were filled by the Board by appointing Lt Gen Nauman Mahmood (Retd) and Maj Gen Kamran Ali (Retd) respectively, within the stipulated time.

Board Meetings

During the year 2023, five meetings of the Board of Directors were held. Attendance in those meetings, by each of the director (at the Board of the Company in 2023) was as follows:

Name of Director	Meetings Attended
Lt Gen Naveed Mukhtar (Retd)	5
AVM Mohammad Athar Shams (Retd)	5
Rizwan Ullah Khan	5
Brig Mukhtar Ahmed	5
Malik Riffat Mahmood	5
Mr. Imran Iqbal	5
Mr. M. Munir Malik	4
Ms. Saima Akbar Khattak	5

The Board granted a leave of absence to the director who could not attend the Board Meetings. The list of the Board Committees, their composition and Terms of reference are given at page 48 of this report.

Pattern of Shareholding

The pattern of shareholding is given at page 275 of this report. There was no trading in shares of the Company by the Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children.

Statement on Risk Management and Internal Controls

The statement on Risk Management and Internal Controls is given at page 40 of this report.

Principal Risks and Uncertainties Facing the Company

The information relating to principal risks and uncertainties faced by the Company is given at page 43 of this report.

Board Committees

During the year 2023, the Audit Committee held five meetings whereas Ethics, Human Resource & Remuneration Committee held three meetings and all other committees met two times. The composition of the Board Committees and their terms of references are given at page 48 of this report.

Further, the Company has four sub committees of the Board which cover the core areas of business; these are Underwriting, Reinsurance & Coinsurance Committee, Claims Settlement Committee, Executive, Risk Management & Compliance Committee, and Investment Committee. The names of members and the terms of references of these committees are given at page 48 of this report.

OUTLOOK

Despite significant challenges, the overall economic outlook is likely to be optimistic in view of increased political confidence after general elections. We are hopeful that structural reforms will be implemented to cater risks such as budget deficit, and high inflation etc., to bring economic stability.

ACKNOWLEDGMENTS

We would like to take this opportunity to thank our Regulators, the Insurance Association of Pakistan (IAP), for their continued support, and our valued reinsurers and other stakeholders for their trust and confidence in us. Finally, we place on record our appreciation for the commitment and hard work of our employees towards the growth of the Company.

For and on behalf of the Board



Abdul Waheed
President & Chief Executive



Lt Gen Nauman Mahmood (Retd)
Chairman – Board of Directors

Rawalpindi
March 14, 2024

بورڈ نے ان ڈائریکٹرز کو غیر حاضری کی چھٹی دے دی جو بورڈ کے اجلاس میں شرکت نہیں کر سکے۔ بورڈ کمیٹیوں کی فہرست، ان کی تشکیل اور حوالہ جات کی شرائط اس رپورٹ کے صفحہ 48 پر دی گئی ہیں۔

شیر ہولڈنگٹ کا نمونہ

شیر ہولڈنگٹ کا نمونہ اس رپورٹ کے صفحہ 275 پر دیا گیا ہے۔ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر، کینی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں کی طرف سے کینی کے شیرز میں کوئی تجارت نہیں ہوئی۔

رسک مینجمنٹ اور اندرونی کنٹرول پر بیان

رسک مینجمنٹ اور انٹرئل کنٹرولز کا بیان اس رپورٹ کے صفحہ 40 پر دیا گیا ہے۔

کینی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال

کینی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال سے متعلق معلومات اس رپورٹ کے صفحہ 43 پر دی گئی ہیں۔

بورڈ کمیٹیاں

سال 2023 کے دوران، آڈٹ کمیٹی نے پانچ اجلاس منعقد کیے جبکہ اخلاقیات، انسانی وسائل اور معاوضے کی کمیٹی نے دو اجلاس منعقد کیے اور دیگر تمام کمیٹیوں کا دو بار اجلاس ہوا۔ بورڈ کمیٹیوں کی تشکیل اور ان کے حوالہ جات کی شرائط اس رپورٹ کے صفحہ 48 پر دی گئی ہیں۔

مزید، کینی کے پاس بورڈ کی چار ذیلی کمیٹیاں ہیں جو کاروبار کے بنیادی شعبوں کا احاطہ کرتی ہیں۔ یہ انڈر رائٹنگ، ری بیمہ اور کوانٹورنس کمیٹی، کلیمز سیٹلمنٹ کمیٹی، ایگزیکٹو، رسک مینجمنٹ اینڈ کپالمنٹس کمیٹی، اور انویسٹمنٹ کمیٹی ہیں۔ اراکین کے نام اور ان کمیٹیوں کے حوالہ جات کی شرائط اس رپورٹ کے صفحہ 48 پر دیے گئے ہیں۔

نقطہ نظر

اہم چیلنجوں کے باوجود، عام انتخابات کے بعد بڑھتے ہوئے سیاسی اعتماد کے پیش نظر مجموعی معاشی نقطہ نظر پر امید ہونے کا امکان ہے۔ ہمیں امید ہے کہ معاشی استحکام لانے کے لیے بجٹ خسارے اور اعلیٰ افراط زر وغیرہ جیسے خطرات کو پورا کرنے کے لیے ساختی اصلاحات نافذ کی جائیں گی۔

اعترافات

ہم اس موقع پر اپنے ریگولیٹرز، انشورنس ایسوسی ایشن آف پاکستان (IAP) کا شکریہ ادا کرنا چاہیں گے کہ ان کی مسلسل حمایت، اور ہمارے قابل قدر ری بیمہ کنندگان اور دیگر اسٹیک ہولڈرز کا ہم پر اعتماد اور بھروسہ ہے۔ آخر میں، ہم کینی کی ترقی کے لیے اپنے ملازمین کے عزم اور محنت کی تعریف کرتے ہیں۔

بورڈ کے لیے اور اس کی جانب سے



یغینٹ جزل نعمان محمود (ر)
چیرمین - بورڈ آف ڈائریکٹرز

راولپنڈی

14 مارچ، 2024



عبدالوحید
صدر اور چیف ایگزیکٹو

ڈائریکٹر کی رپورٹ

سال 2023 کے لیے غیر مربوط مالی معلومات

کلیدی مالیاتی ڈیٹا

گزشتہ 6 سالوں کا کلیدی آپریشنل اور مالیاتی ڈیٹا سالانہ رپورٹ کے صفحہ 60 پر منسلک ہے۔

پروڈیٹ فنڈ اور گریجویٹ فنڈ میں سرمایہ کاری کی قدر

پروڈیٹ فنڈ اور گریجویٹ فنڈ میں سرمایہ کاری کی قدر، آڈٹ شدہ کھاتوں کی بنیاد پر، جیسا کہ 31 دسمبر 2023 تک تھی:

فنڈ کا نام	2023	2022
روپے گروٹوں میں		
ایکسپانڈر پروڈیٹ فنڈ	170	134
ایکسپانڈر گریجویٹ فنڈ	232	181

بورڈ کی تشکیل

اس وقت ڈائریکٹرز کی کل تعداد نو (09) درج ذیل ہے:

- a. مرد
b. خاتون
- آٹھ (08)
ایک (01)

ڈائریکٹر کا نام	زمرہ
جناب ایم منیر ملک جناب عمران اقبال	آزاد ڈائریکٹرز
لیفٹیننٹ جنرل نعمان محمود (ر) میجر جنرل کامران علی (ر) رضوان اللہ خان بریگیڈیئر مختار احمد (ر) ملک رفعت محمود	نان ایگزیکٹو ڈائریکٹرز
جناب عبدالوحید	ایگزیکٹو ڈائریکٹرز
محترمہ صائمہ اکبر خٹک	خاتون ڈائریکٹر

بورڈ میں منتخب/نامزد ڈائریکٹرز کی تعداد آٹھ (8) ہے جبکہ چیف ایگزیکٹو کپتینز ایکٹ 2017 کے سیکشن 183(3) کے تحت ایکٹ "ڈیٹڈ ڈائریکٹر" ہے۔

سال کے اختتام کے بعد، کمپنی کے دو نان ایگزیکٹو ڈائریکٹرز، لیفٹیننٹ جنرل نوید مختار (ریٹائرڈ) اور اے وی ایم محمد اطہر شمس (ریٹائرڈ) نے بالترتیب 16 جنوری 2024 اور 31 جنوری 2024 کو ڈائریکٹرشپ سے استعفیٰ دے دیا اور بورڈ نے مقررہ وقت کے اندر بالترتیب لیفٹیننٹ جنرل نعمان محمود (ریٹائرڈ) اور میجر جنرل کامران علی (ریٹائرڈ) کو مقرر کر کے عارضی خالی آسامیاں پر کیں۔

بورڈ میٹنگز

سال 2023 کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس ہوئے۔ ان اجلاسوں میں ہر ایک ڈائریکٹر (2023 میں کمپنی کے بورڈ میں) کی حاضری حسب ذیل تھی:

ڈائریکٹر کا نام	میٹنگز میں شرکت کی
لیفٹیننٹ جنرل نوید مختار (ر)	5
اے وی ایم محمد اطہر شمس (ر)	5
رضوان اللہ خان	5
بریگیڈیئر مختار احمد (ر)	5
ملک رفعت محمود	5
جناب عمران اقبال	5
جناب ایم منیر ملک	4
محترمہ صائمہ اکبر خٹک	5

بیرونی آڈیٹرز

یوسف عادل چارٹرڈ اکاؤنٹنٹس نے سال 2023 کے لیے کمپنی کے مالیاتی بیانات کا آڈٹ کیا اور دوبارہ اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کے لیے پیش کیا۔ ضابطے اور ضابطوں کی ضرورت کے مطابق، بورڈ آڈٹ کمیٹی نے یوسف عادل چارٹرڈ اکاؤنٹنٹس کو سال 2024 کے لیے بیرونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے، اور بورڈ اس سفارش کی توثیق کرتا ہے۔

شریہ کپلائنس آڈیٹرز

ایس ایم سہیل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، دوبارہ تقرری کے اہل ہونے کی وجہ سے، کمپنی کے شریعتی تعمیل آڈیٹرز کے طور پر، جیسا کہ منظر روٹز 2012 کے تحت ضروری ہے، نے خود کو دوبارہ تقرری کے لیے پیش کیا اور بورڈ آڈٹ کمیٹی کی سفارش پر بورڈ نے ایس ایم کی تقرری کی منظوری دے دی ہے۔ سہیل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، سال 2024 کے لیے شریعتی تعمیل آڈیٹرز کے طور پر۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

ڈائریکٹرز کی ذمہ داریوں کا بیان

کوڈ آف کارپوریٹ گورننس کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کی تعمیل میں، ڈائریکٹرز درج ذیل کی تصدیق کرتے ہیں:

- مالی گوشوارے، ان گوشواروں کا ایک لازمی حصہ بننے والے نوٹس کے ساتھ، کمپنی کی انتظامیہ نے کمپنیز ایکٹ، 2017 اور انٹرنیشنل آرڈیننس 2000 کے مطابق تیار کیے ہیں۔ اس کی حالت، اس کے کاموں کے نتائج، پیش فلوا اور ان کی پیشگی میں تبدیلیوں کو مدعا طور پر پیش کرتے ہیں۔
- کمپنی کے کھاتوں کی درست بکس رکھی گئی ہیں۔
- ان مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز، انٹرنیشنل فنانس رپورٹنگ اسٹینڈرڈز یا کوئی دوسرا ضابطہ یا قانون (بشمول شرعی رہنما خطوط I اصولوں تک محدود نہیں) جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں بیرونی کی گئی ہے اور وہاں سے کسی بھی انحراف کا مناسب طور پر انکشاف کیا گیا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے درست ہے اور اسے پورے سال مؤثر طریقے سے لاگو اور مانیٹر کیا گیا ہے۔
- جاری توثیق کے طور پر کمپنی جاری رکھنے کی صلاحیت پر کوئی خاص شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے۔
- ٹیکسز، ڈیوٹیز، لیونز اور چارجز کی مدد میں کوئی قانونی ادائیگیاں نہیں ہیں جو کہ 31 دسمبر 2023 تک بقایا ہیں، سوائے اس کے کہ مالی بیانات میں ظاہر کیا گیا ہو۔ اس طرح کے تمام واجبات بنیادی طور پر مالی سال 2023 کے آخری سہ ماہی کے واجبات سے متعلق ہیں اور بعد میں وقت پر سرکاری خزانے میں جمع کرائے گئے تھے۔
- متعلقہ فریق کے لین دین کو آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کے ذریعے منظور یا توثیق کیا جاتا ہے۔

بورڈ کی کارکردگی کا جائزہ

کمپنی کا بورڈ آف ڈائریکٹرز ہر سال پیرا میٹر کے ایک سیٹ کے خلاف خود تہنیتی مشق سے گزرتا ہے۔ یہ تہنیتی بنیادی طور پر بورڈ کو اس کے حکمرانی کے معیار کا جائزہ لینے میں مدد کرنے کے لیے کیا جاتا ہے کیونکہ یہ بورڈ کے اراکین کو آپ کی کمپنی کی ترقی کے لیے اپنے کردار اور ذمہ داریوں کو زیادہ مؤثر طریقے سے انجام دینے کے قابل بناتا ہے۔ یہ خود تہنیتی مخصوص پیرا میٹرز کی بنیاد پر تہنیتی طریقہ کار کے تحت کیا جاتا ہے۔

تہنیتی مشق اہم اہمیت کے شعبوں پر توجہ دیتی ہے جس میں درج ذیل شامل ہیں، لیکن ان تک محدود نہیں ہیں:

- ❑ بورڈ آف ڈائریکٹرز کی بنیادی تنظیم سے آگاہ کرنا
- ❑ بورڈ کے اراکین کے مجموعی کرداروں اور ذمہ داریوں کا اندازہ
- ❑ بورڈ اور اس کی کمیٹیوں کے کام کی تاخیر اور کارکردگی، اور
- ❑ انفرادی بورڈ کے اراکین کی کارکردگی اور شرکت کا اندازہ لگانا

انفرادی بورڈ کے اراکین کی کارکردگی اور شرکت کا اندازہ لگانا

ڈائریکٹرز کے معاوضے کی پالیسی

متعلقہ قانونی تقاضوں اور ایسوسی ایشن کے مضامین کی تعمیل کرنے کے لیے، کمپنی کے پاس چیئرمین، نان ایگزیکٹو، ایگزیکٹو اور آزاد ڈائریکٹرز کے معاوضے کے حوالے سے پالیسی ہے۔ ڈائریکٹرز کو بورڈ اور اس کی ذیلی کمیٹیوں کے اجلاسوں میں شرکت کے لیے صرف فیس ادا کی جاتی ہے اور ایسوسی ایشن کے آرٹیکلز کے مطابق، اس سلسلے میں ان کے ذریعے اٹھائے جانے والے اخراجات کی ادائیگی بھی کی جاتی ہے۔

ڈائریکٹر کی رپورٹ

سال 2023 کے لیے غیر مربوط مالی معلومات

بیرین، ایوی ایشن اور ٹرانسپورٹ

اس حصے نے 2023 میں ہمارے مجموعی کاروبار میں تقریباً 10 فیصد کا حصہ ڈالا جس میں مجموعی پریمیم 502 ملین کی ضمانت دی گئی تھی (2022: 302 ملین)۔ اس حصے نے سال 2023 میں 157 ملین کی شراکت دی (2022: 85 ملین)۔ سال کے دوران کچھ مخصوص بین الاقوامی سمندری بیمہ لین دین کی وجہ سے منافع میں تیزی سے اضافہ ہوا، جس نے کئی کے لیے صحت مند منافع حاصل کیا۔

متفرق

اس حصے میں انجینئرنگ بیمہ، ہانڈ بیمہ، فصل بیمہ، سفری بیمہ وغیرہ شامل ہیں۔ اس حصے کا کاروباری مرکب 2023 میں انڈر رائٹ کاروبار کا 17 فیصد ہے جس میں مجموعی پریمیم انڈر رائٹ 2023 میں 858 ملین ہے۔ (2022: 936 ملین)۔ اس حصے نے 218 ملین کی شراکت دی (2022: 201 ملین)۔

سرمایہ کاری، کرایہ اور دیگر آمدنی

سال 2023 میں مجموعی طور پر سرمایہ کاری اور دیگر آمدنی 62 فیصد بڑھ کر 528 ملین ہو گئی، جبکہ سال 2022 میں یہ 327 ملین تھی۔ سرمایہ کاری اور دیگر آمدنی میں تیزی سے اضافہ 22 فیصد کی اعلیٰ پالیسی کی شرح کی وجہ سے تھا۔ کے ایس ای-100 انڈیکس میں ہونے والے فولڈ نے کئی کو سال 2023 کے آخر میں غیر حقیقی فولڈ حاصل کرنے کے علاوہ سال کے دوران کچھ فولڈ حاصل کرنے کے قابل بنایا۔

وڈو کا عمل اپریشنز

وڈو کا عمل اپریشنز (WTO) کئی کے کاروبار کے حجم اور منافع میں مسلسل اضافہ کر رہے ہیں اور ہم امید کرتے ہیں کہ یہ رجحان آنے والے سالوں میں بھی جاری رہے گا۔

2023 کے دوران WTO کی طرف سے تحریری شراکت 642 ملین روپے (2022: 458 ملین روپے) رہی۔ جبکہ سال 2023 کے لیے آپریٹرز فنڈ سے حاصل ہونے والا منافع 105 ملین تھا جبکہ سال 2022 میں 61 ملین تھا مجموعی طور پر، روایتی انشورنس پورٹ فولیو کے طور پر، کاروبار میں ترقی اور کٹھن اپریشنز میں مجموعی شراکت کے منافع میں تقریباً اسی طرح کے عوامل سامنے آئے۔

سپر ٹیکس کا اثر

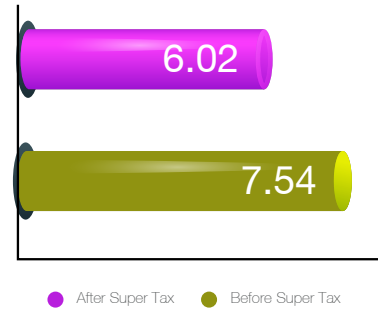
مالی سال 2023 کے دوران، کئی نے موثر طریقے سے 45 فیصد کی شرح سے ٹیکس ادا کیا جس نے رواں سال 10 فیصد پر سپر ٹیکس کی فراہمی کے بعد اسے 432 ملین تک محدود کر کے ٹیکس کے بعد کئی کے منافع کو متاثر کیا ہے اور اس کے علاوہ 6 فیصد پچھلے سال (مالی سال 2022) جیسا کہ ٹیکس میں بیان کیا گیا ہے۔ اگر کئی پر سپر ٹیکس وصول نہ کیا جاتا تو اس کا ای پی ایس فی حصص 7.54 ہوتا بجائے اس کے کہ فی الحال رپورٹ شدہ ای پی ایس 6.02 ہوتا۔

تفصیل	روپے ہزاروں میں
ٹیکس سے پہلے منافع	772,426
ٹیکس کی فراہمی* (ذیل میں بریکٹ اپ دیکھیں)	(339,908)
ٹیکس کے بعد منافع	432,518

ٹیبل 2 - ٹیکس کی فراہمی - بریکٹ اپ

تفصیل	روپے ہزاروں میں
کارپوریٹ ٹیکس موجودہ سال	235,311
سپر ٹیکس موجودہ سال	81,142
سپر ٹیکس - پچھلا سال	32,402
موثر ٹیکس	(8,947)
ٹیکس کا تخمینہ	339,908

EPS Behavior



ٹریڈنگ اور دیگر خدمات کے لیے معاہدہ

کینیڈا ایک، 2017 کی دفعہ 208(2) کے مطابق، ہم شیئرز ہولڈرز کو مطلع کرنا چاہیں گے کہ کئی نے آسک ٹیک (پرائیویٹ لمیٹڈ) کے ساتھ ٹریڈنگ اور دیگر خدمات کی فراہمی کے لیے اپنا معاہدہ جاری رکھا ہے۔ لمیٹڈ، کئی کا ذیلی ادارہ۔ موثر بیمہ کاروبار میں خطرات کو کم کرنے کے لیے ٹریڈنگ خدمات کی کوشش کی گئی ہے۔ ہم نے اس بات کو یقینی بنایا ہے کہ مذکورہ کئی کے ساتھ لین دین کافی حد تک ہو۔

مزید برآں، کمپنی نے ایس ای سی پی کے ذریعہ مقرر کردہ رہنما خطوط اور بین الاقوامی بہترین طریقوں پر سختی سے عمل کرتے ہوئے اپنے سائبر سیکیورٹی فریم ورک کو مضبوط بنانے میں غیر متزلزل لگن کا مظاہرہ کیا ہے۔ نئی فائروالز، اینٹی وائرس سافٹ ویئر، اور ایس آئی ای ایم ٹولز جیسی جدید ترین ٹیکنالوجیز کا فائدہ اٹھاتے ہوئے، کمپنی سائبر خطرات کو روکنے، پتہ لگانے اور کم کرنے، حساس ڈیٹا کی حفاظت اور اسٹیک ہولڈرز کے اعتماد کو برقرار رکھنے کے اپنے عزم پر قائم ہے۔

لسٹڈ کمپنیاں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور کوڈ آف کارپوریٹ گورننس برائے بیہ کنندگان، 2016

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (ریگولیشنز) اور کوڈ آف کارپوریٹ گورننس برائے بیہ کنندگان، 2016 کمپنی پر لاگو ہیں۔ کمپنی نے ان ضوابط کی مشقوں کی مناسب تعمیل کی ہے۔ اس سلسلے میں تعمیل کا بیان صفحہ 65 پر دیکھا جاسکتا ہے۔

ڈیویڈنڈ پالیسی پر مشن

بورڈ آف ڈائریکٹرز نے 3.25 روپے فی شیئر کے حتمی نقد منافع کی سفارش کی ہے ان شیئرز ہولڈرز کو جن کے نام کمایا بند ہونے کی مدت کے آغاز پر کمپنی کے شیئرز رجسٹر میں ظاہر ہوتے ہیں۔

کارکردگی کا جائزہ

کمپنی کی کارکردگی کے اہم اشاریوں کا خلاصہ ذیل میں دیا گیا ہے:

31 دسمبر		
2022	2023	
(روپے ہزار میں)		
4,500,148	5,550,192	مجموعی تحریری پر بیمہ (شامل نکال شراکت)
2,427,948	2,851,209	خالص پر بیمہ آمدنی
1,548,190	1,794,055	خالص دعوے
186,438	173,233	انڈر رائٹنگ منافع
326,990	528,419	سرمایہ کاری، گریڈ اور دیگر آمدنی
478,661	667,922	قبل از ٹیکس منافع - جبرل انشورنس آپریشنز
61,369	105,504	قبل از ٹیکس منافع - ونڈو نکال آپریشنز (OPF)
346,589	432,518	بعد از ٹیکس منافع
4.82	6.02	فی شیئر آمدنی (روپے)

شعبہ وار کارکردگی کا تجزیہ

کاروبار کے ہر طبقے کے لیے سیگنٹس وائز کارکردگی کا تجزیہ حسب ذیل ہے:

حادثہ اور صحت

حادثہ اور ہیلتھ کے شعبے نے 34 فیصد کی خاطر خواہ نمودار کی ہے اور مجموعی طور پر 1.39 ملین (2022: 1.04 ملین روپے) پر بیمہ کے ساتھ مجموعی کاروبار میں سب سے بڑا شراکت دار بن گیا ہے اس شعبے کا کاروبار سال 2023 میں لکھے گئے کل مجموعی پر بیمہ کا 28 فیصد ہے۔ اس شعبے نے 51 ملین (2022: 112 ملین) کے مجموعی مارجن میں حصہ ڈالا۔ منافع میں کمی بنیادی طور پر سال کے دوران بلند افرالڈز کی وجہ سے دعووں کی لاگت میں اضافے سے منسلک تھی۔

موٹر

موٹر شعبے نے کاروبار میں 16 فیصد کا اضافہ درج کیا، جو بنیادی طور پر سال کے دوران کاروں کی قیمتوں میں نمایاں اضافے کی وجہ سے ہوا۔ اس کا مجموعی پر بیمہ تحریری کل مجموعی پر بیمہ کا 25 فیصد تھا اور اس کی رقم 1.25 ملین روپے تھی۔ (2022: 1.07 ملین)۔ اس حصے نے 551 ملین روپے کے مجموعی مارجن میں حصہ ڈالا (2022: 457 ملین)۔ منافع میں اضافہ دعویٰ کے موثر انتظام کی وجہ سے دعووں کی لاگت میں اضافے کے مقابلے پر بیمہ میں کافی زیادہ اضافے کی وجہ سے ہوا۔

آگ اور لٹاؤ کا نقصان

اس حصے کے لیے مجموعی پر بیمہ انڈر رائٹ سال 2023 میں 910 ملین روپے تھا (2022: 689 ملین)۔ اس حصے نے سال 2023 میں کمپنی کے کل مجموعی پر بیمہ میں 19 فیصد کا حصہ ڈالا۔ سال 2023 میں اس حصے کا تعاون 103 ملین روپے تھا (2022: 85 ملین)۔ اس حصے میں مجموعی پر بیمہ میں 32 فیصد کا اضافہ ہوا۔ تاہم، زیادہ تر اضافہ ری انشورنس کے اخراجات میں ہوا جس نے بااثر شراکت کے مارجن میں 21.18 فیصد اضافہ درج کیا۔

ڈائریکٹر کی رپورٹ

سال 2023 کے لیے غیر مربوط مالی معلومات

بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں عسکری جرنل انشورنس کمپنی لمیٹڈ (کمپنی) کے ڈائریکٹرز کی رپورٹ کے ساتھ 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے آڈٹ شدہ غیر مربوط مالیاتی گوشواروں اور اس پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

اقتصادی جائزہ

سال 2023 کے دوران، پاکستان کے مثال معاشی اور سیاسی چیلنجوں سے گزرنا پاکستانی روپے امریکی ڈالر کے مقابلے میں تیزی سے گر گیا جس نے توانائی کی قیمتوں میں تیزی سے اضافے کے ساتھ ساتھ اعلیٰ افراط زر کو جنم دیا اور اس کے جواب میں پالیسی کی شرح کو 22 فیصد تک بڑھا دیا گیا اس کے بعد اقتصادی ترقی میں سست روی آئی۔

پاکستان میں جرنل انشورنس انڈسٹری کو زیادہ دعووں کی لاگت اور کم منافع کی شکل میں اعلیٰ افراط زر کا منفی اثر پڑا دوسری طرف اعلیٰ شرح سود نے سرمایہ کاری کے بہتر منافع کی شکل میں سامنے آید ڈالر کے مقابلے میں روپے کی قدر میں کمی اور فاریکس کے کم ذخائر نے صنعت کے لیے ری بیس کی لاگت میں اضافہ کیا۔

2023 میں AGICO کمپنی،

کمپنی مشکل معاشی حالات کے باوجود، کامیابی سے سال 2023 میں 5.5 بلین (بشمول تکافل شراکت کے 642 ملین روپے) کا مجموعی پریمیئم انڈر رائٹ کرنے میں کامیاب رہی۔ (2022: 4.5 بلین بشمول تکافل شراکت کے 457 ملین)۔

سرمایہ کاری کی آمدنی میں 68 فیصد اضافہ ہوا اور بالآخر 772 ملین ٹیکس سے پہلے منافع درج کیا۔ (2022: 540 ملین)۔ 6 فیصد کے اضافی ساتھ سپر ٹیکس لاگو ہونے کے بعد، ٹیکس کے بعد منافع اور فی حصص کمائی (ای پی ایس) سال 2023 میں 433 ملین (2022: 347 ملین) اور 6.02 فی حصص پر پہنچ گئی (2022: 4.82)۔

اہم جھلکیاں

کرپڈٹ ریٹنگ

کمپنی نے پاکستان کرپڈٹ ریٹنگ کمپنی لمیٹڈ (PACRA) اور VIS کرپڈٹ ریٹنگ ایجنسی دونوں کی جانب سے مستحکم مستقبل کے آڈٹ لک کے ساتھ بالترتیب 7 فروری 2024 اور 29 فروری 2024 کی طرف سے دی گئی "AA+" کی بیسہ کنندہ کی مالیاتی طاقت کی درجہ بندی برقرار رکھی ہے۔

ڈیجیٹل اقدامات

عسکری جرنل انشورنس کمپنی لمیٹڈ کے اسٹریٹیجک اقدامات کے مرکز میں تکنیکی ترقی کے لیے ایک غیر متوازن عزم ہے، جس کا مقصد اہم سرمایہ کاری کو آگے بڑھانا ہے جس کا مقصد موجودہ نظاموں کو مضبوط بنانا اور نئی صلاحیتوں کا آگے بڑھانا ہے۔

اس اخلاق کا مرکز آٹومیشن اور ریگولیریٹری نگرانی کی بلند سطحوں کے لیے جامع انٹریپرائز آرکیٹیکچر کی اصلاح ہے۔

سال کے دوران اس اقدام سے پیدا ہونے والی ایک نمایاں کامیابی نئے موٹر کلیمز مینجمنٹ سسٹم کا کامیاب آغاز ہے۔ یہ اختراعی نظام ایک متحد پلیٹ فارم کے طور پر کام کرتا ہے، جو تمام اسٹیک ہولڈرز کو بغیر کسی رکاوٹ کے ایک مربوط ماحولیاتی نظام میں ضم کرتا ہے، اس طرح کاغذ کے بغیر کام کے بہاؤ کے نمونے کی طرف ہموار منتقلی میں سہولت فراہم کرتا ہے۔ خاص طور پر، یہ سروے کرنے والوں اور ورکشاپس کے لیے معلومات کی فراہمی کو آسان بناتا ہے، جس سے دعووں کی کارروائی کی کارکردگی اور شفافیت میں انقلاب آتا ہے۔

متوازی طور پر، عسکری جرنل انشورنس کمپنی لمیٹڈ نے اپنے کابینوں کی منفرد ضروریات کے مطابق ایک گاہک مرکوز سیلف سروس پورٹل متعارف کرایا ہے۔ یہ پلیٹ فارم، جو آسانی سے موٹر اور ٹریول پالیسی کی خریداری کے لیے ڈیزائن کیا گیا ہے، بغیر کسی رکاوٹ کے سیلف سروس پورٹل اور چیٹ گیٹ ویس کی انجمن کے ساتھ مربوط ہے، جو براہ راست فروخت میں قابل ذکر اضافے کو متحرک کرتا ہے اور صارفین کے بے مثال اطمینان کو فروغ دیتا ہے۔

مزید برآں، کمپنی نے ایک متحرک کاروباری پورٹل کے تعارف کے ذریعے اپنے مارکیٹنگ ایجنٹوں اور اسٹیک ہولڈرز کو بااختیار بنانے کو ترجیح دی ہے۔ یہ انٹرایکٹو پلیٹ فارم جامع کاروباری موازنہ کی سہولت فراہم کرتا ہے، بہتری اور مواقع کے شعبوں کو روشن کرنے کے لیے تاریخی اعداد و شمار کا فائدہ اٹھاتا ہے۔ انفرادی پالیسیوں تک پہنچنے کی باریکٹ بصیرت سے لیس، ایگزیکٹوز کو باخبر فیصلے کرنے کا اختیار حاصل ہے جو پائیدار ترقی اور کارکردگی کو آگے بڑھاتے ہیں۔

صارفین کے اطمینان کو برقرار رکھنے میں شکایات کے موثر انتظام کے اہم کردار کو تسلیم کرتے ہوئے، کمپنی نے ایک ای-شکایت پورٹل شروع کیا ہے۔ یہ صارف دوست پلیٹ فارم کلائنٹس کو فوری اور موثر حل کو یقینی بناتے ہوئے تمام مطلوبہ جھگڑوں میں ہموار انضمام کے ساتھ بغیر کسی رکاوٹ کے شکایات جمع کرنے اور ان پر نظر رکھنے کا اختیار دیتا ہے۔

مزید برآں، کمپنی نے ہیلتھ کارپوریٹس اور افراد کی منفرد ضروریات کے مطابق مخصوص پورٹل کو شامل کرنے کے لیے اپنے سروس پورٹل فوئیو میں توسیع کی ہے۔ یہ مخصوص پلیٹ فارم خصوصیات کا ایک جامع مجموعہ پیش کرتے ہیں، جو صارفین کو پالیسی کی تفصیلات تک رسائی حاصل کرنے اور انتہائی سہولت اور کارکردگی کے ساتھ دعوے جمع کرنے کے قابل بناتے ہیں۔

DIRECTORS' REPORT

Consolidated financial information for the year 2023

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Askari General Insurance Company Limited (the Company) along with Audited Unconsolidated Financial Statements and the Auditors' Report thereon for the year ended December 31st, 2023.

ECONOMIC REVIEW

During the year 2023, Pakistan went through unprecedented economic and political challenges. PKR fell sharply against the USD which, along with a sharp increase in energy prices, triggered high inflation and the policy rate was increased to 22% in response. A slow-down of economic growth followed.

The general insurance industry was adversely impacted by high inflation in the form of higher claims costs and reduced demand. Higher interest rates, on the other hand, provided a hedge in the form of improved investment returns. PKR depreciation against USD and low FOREX reserves increased the reinsurance costs for the industry.

AGICO in 2023

The Company, despite challenging economic conditions, successfully managed to underwrite a gross premium of Rs. 5.5 billion (inclusive of Rs. 642 million from Window Takaful contribution) in the year 2023 (2022: Rs. 4.5 billion inclusive of Rs. 457 million from Window Takaful contribution). Its investment income surged by 68% and ultimately it registered a Profit Before Tax of Rs. 771 million (2022: Rs. 550 million). After taking impact of additional retrospective Super Tax of 6%, the Profit after tax and Earning Per Share (EPS) arrived at Rs. 428 million (2022: Rs. 355 million) and Rs. 5.96 (2022: Rs. 4.94) per share in the year 2023.

KEY HIGHLIGHTS

CREDIT RATING

The Company has maintained Insurer Financial Strength Rating of "AA+", awarded by both Pakistan Credit Rating Company Limited (PACRA) and VIS on 7 February 2024 and 29 February, 2024 respectively, with Stable future outlook.

DIGITAL INITIATIVES

At the heart of AGICO's strategic initiatives lies an unwavering commitment to technological advancement, driving significant investments aimed at both fortifying existing systems and pioneering new capabilities.

Central to this ethos is the comprehensive Enterprise Architectural Revamp to elevate levels of automation and regulatory oversight.

A standout accomplishment stemming from this initiative during the year is the successful rollout of the new Motor Claims Management System. This innovative system serves as a unified platform, seamlessly integrating all stakeholders into a cohesive ecosystem, thereby facilitating a seamless transition towards a paperless workflow paradigm. Notably, it enables real-time interactions with surveyors and streamlined information provision

to workshops, revolutionizing the efficiency and transparency of claims processing.

In parallel, AGICO has introduced a customer-centric self-service portal tailored to the unique needs of its clientele. This intuitive platform, designed for effortless Motor & Travel policy purchases, is seamlessly integrated with Self Inspection and Payment Gateway functionalities, catalyzing a notable surge in direct sales and fostering unparalleled customer satisfaction.

Moreover, AGICO has prioritized the empowerment of its marketing agents and stakeholders through the introduction of a dynamic business portal. This interactive platform facilitates comprehensive business comparisons, leveraging historical data to illuminate areas of improvement and opportunity. Equipped with granular insights extending down to individual policies, executives are empowered to make informed decisions that drive sustained growth and performance.

Recognizing the pivotal role of effective grievance management in maintaining customer satisfaction, AGICO has launched an e-grievance portal. This user-friendly platform empowers clients to seamlessly submit and track complaints, with streamlined integration across all requisite departments, ensuring prompt and effective resolution.

Additionally, AGICO has expanded its service portfolio to include dedicated portals tailored to the unique needs of health corporates and individuals. These bespoke platforms offer a comprehensive suite of features, enabling users to access policy details and submit claims with utmost convenience and efficiency.

Furthermore, AGICO has demonstrated unwavering diligence in fortifying its cybersecurity framework, in strict adherence to guidelines laid out by SECP and international best practices. Leveraging cutting-edge technologies such as new Firewalls, Antivirus software, and SIEM tools, AGICO stands resolute in its commitment to preempt, detect, and mitigate cyber threats, safeguarding sensitive data and preserving stakeholder trust.

LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 & CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016

Listed Companies (Code of Corporate Governance) Regulations, 2019 (Regulations) and Code of Corporate Governance for Insurers, 2016 are applicable to the Company. The Company has duly complied with the provisions of these Regulations. A Statement of Compliance in this regard can be viewed on page 65.

DIVIDEND DISTRIBUTION

The Board of Directors has recommended a final cash dividend of Rs. 3.25 per share to the shareholders whose names appear in the share register of the Company at the start of the book closure period.

PERFORMANCE REVIEW

The key performance indicators of the Company are summarized below:

	31 December	
	2023	2022
	(Rupees in thousand)	
Gross premium written (Inclusive of Takaful Contribution)	5,550,192	4,500,148
Net premium revenue	2,850,187	2,426,941
Net claims	1,794,055	1,548,190
Underwriting profit	175,539	188,459
Investment, Rental and other income	529,412	327,751
Profit before tax - General Insurance Operations	671,055	481,292
Profit before tax - Window Takaful Operations (OPF)	99,877	68,568
Profit after tax	428,356	355,088
Earnings per share (Rs.)	5.96	4.94

SEGMENT WISE PERFORMANCE ANALYSIS

The segment wise performance analysis for each class of business is as follows:

Accident & Health

Accident & health segment registered a considerable growth of 34% and became the leading contributor in overall business with gross premium written of Rs. 1.39 billion (2022: Rs. 1.04 billion). The business mix of this segment is 28% of total gross premium written in the year 2023. This segment contributed gross margins of Rs. 49 million (2022: Rs 111 million). The decline in profitability was mainly associated with an increase in the cost of claims due to high inflation during the year.

Motor

Motor segment registered a growth of 16% in business, driven primarily by the significant increase in the car prices during the year. Its gross premium written was 25% of the total Gross Premiums Written, and amounted to Rs. 1.25 billion (2022: Rs. 1.07 billion). This segment contributed gross margins of Rs. 551 million (2022: Rs 457 million). The increase in profitability was due to a considerably higher increase in the premiums than the increase in the cost of claims due to efficient claim management.

Fire & Property Damage

Gross premium underwritten for this segment was Rs. 910 million in the year 2023 (2022: Rs. 689 million). This segment contributed 19% towards total gross premium of the Company in the year 2023. The contribution from this segment in the year 2023 was Rs. 103 million (2022: Rs. 85 million). Gross premiums in this segment increased by 32%; however, most of the increase was consumed in the reinsurance expense ultimately registering 21.18 % increase in the contribution margin.

Marine, Aviation & Transport

This segment contributed around 10% to our total business underwritten in 2023 with gross premium underwritten of Rs. 502 million (2022: Rs. 302 million). This segment reported the contribution of Rs. 157 million in the year 2023 (2022: Rs. 85 million). A sharp surge in the profits was due to some specific international marine insurance transactions during the year, which earned healthy profits for the Company.

Miscellaneous

This segment comprises of engineering insurance, bond insurance, crop insurance, travel insurance etc. Business mix of this segment is 17% of underwritten business in 2023 with gross premium underwritten of Rs. 858 million in 2023 (2022: Rs. 936 million). This segment reported the contribution of Rs. 218 million (2022: Rs. 201 million).

Investment, Rental and other Income

Overall Investment and other income increased by 62% to Rs. 528 million in the year 2023, as compared to Rs. 327 million for the year 2022. Sharp increase in investment and other income was due to high policy rate of 22%. Gains in KSE-100 index also enabled the Company to realize some gains during the year, besides having unrealized gains at the end of year 2023.

WINDOW TAKAFUL OPERATIONS

Window Takaful Operations (WTO) have been continuously increasing volume and profitability towards business of the Company, and we expect this trend to continue in the coming years as well.

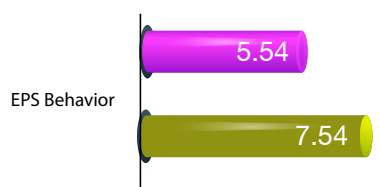
The written contribution from WTO during 2023 was Rs. 642 million (2022: Rs. 458 million) while the profit from Operator's Fund for the year 2023 was Rs. 105 million as compared to Rs. 61 million in the year 2022.

Overall almost similar factors played out for the growth in business and in gross contribution profits in Takaful operations, as for the conventional insurance portfolio.

IMPACT OF SUPER TAX

During FY 2023, the Company effectively paid tax at the rate of 45% which has impacted the Company's profit after tax by restricting it to Rs. 428 million after provisioning for super tax at 10% on the current year and additionally 6% retrospectively on the previous year (FY 2022) as explained in Table 2 below. Had the super tax not been charged on the Company, its EPS would have been Rs. 7.54 per share rather than the currently reported EPS of Rs. 5.96.

Description	Rs. In Thousands
Profit Before Tax	770,932
Provision for Tax* (See breakup below)	(342,576)
Profit After Tax	428,356



DIRECTORS' REPORT

Consolidated financial information for the year 2022

Table 2 - *Provision for Tax - Break up

Description	Rs. In Thousands
Corporate Tax - Current Year	236,661
Super Tax - Current Year	81,608
Super Tax - Previous Year	32,588
Deferred Tax	(8,281)
Provision for Tax	342,576

CONTRACT FOR TRACKING AND OTHER SERVICES

In accordance with section 208(2) of Companies Act, 2017, we would like to inform the shareholders that the Company has continued its contract for provision of tracking and other services with Asktech (Pvt.) Ltd, a subsidiary of the Company. Tracking services have been sought to minimize the risks in the motor insurance business. We have ensured that the transactions with the said company are at arm's length.

AUDITORS

External Auditors

Yousaf Adil Chartered Accountants audited the financial statements of the Company for the year 2023 and being re-eligible, presented themselves for reappointment.

In line with the requirement of the Code and the Regulations, the Board Audit Committee has recommended the appointment of Yousaf Adil Chartered Accountants, as the External Auditors for the year 2024, and the Board endorses this recommendation.

Shariah Compliance Auditors

S.M. Suhail & Co. Chartered Accountants, being re-eligible for reappointment, as Shariah Compliance Auditors of the company, as required under Takaful Rules 2012, presented themselves for reappointment and the Board on the recommendation of Board Audit Committee has approved the appointment of S.M Suhail & Co. Chartered Accountants, as the Shariah Compliance Auditors for the year 2024.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Statement of Directors Responsibilities

In compliance with the Corporate and Financial Reporting Framework of the Code of Corporate Governance, the Directors confirm the following:

- The financial statements, together with the notes forming an integral part of these statements, have been prepared by the management of the Company in conformity with the Companies Act, 2017 and the Insurance Ordinance 2000, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of these financial statements and accounting estimates are based on reasonable and prudent judgment.

- International Accounting Standards, International Financial Reporting Standards or any other regulation or law (including but not limited to the Shariah guidelines I principles) as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal controls is sound in design and has been effectively implemented and monitored throughout the year.
- There are no significant doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as of 31 December 2023, except as disclosed in the financial statements. All such dues primarily related to the dues of last month of the financial year 2023 and were subsequently deposited in Government treasury in time.
- The related party transactions are approved or ratified by the Audit Committee and the Board of Directors.

Board Performance Evaluation

The Company's Board of Directors undergoes a self-evaluation exercise each year against a set of parameters. This evaluation is performed primarily to assist the Board in evaluating its quality of governance as it enables the Board members to perform their roles and responsibilities more effectively towards the progress of your Company. This self-evaluation is carried out under an evaluation methodology based on certain parameters.

The evaluation exercise addresses areas of critical importance which include, but are not limited to, the following:

- Apprising the basic organization of the Board of Directors
- Assessment of overall roles and responsibilities of the Board members
- Effectiveness and efficiency of the operation of the Board and its Committees; and
- Assess performance and participation of individual Board members.

The result of the Board's self-assessment of its overall performance was satisfactory against the set criteria.

Directors' Remuneration Policy

To comply with the relevant legal requirements and Articles of Association, the Company has policy with respect to the remuneration of Chairman, Non-Executive, Executive and Independent Directors. Directors are only paid a fee for attending the meetings of the Board and its sub-committees and are also reimbursed for expenses borne by them in that regard, as per the Articles of Association.

Key Financial Data

Key operational and financial data for the last 6 years is annexed at page 60 of the Annual Report.

Value of investments in Provident Fund and Gratuity Fund
The value of investments in provident fund and gratuity fund, on the basis of audited accounts, as of 31 December 2023 was:

Name of Fund	2023	2022
	Rupees in Millions	
Employees' Provident Fund	170	134
Employees' Gratuity Fund	232	181

Composition of Board

At present, the total number of directors are Nine (09) as per the following:

a.	Male	Eight (08)
b.	Female	One (01)

Category	Name of Director
Independent Directors	Mr. M. Munir Malik Mr. Imran Iqbal
Independent Female Director	Ms. Saima Akbar Khattak
Non-Executive Directors	Lt Gen Nauman Mahmood (Retd) Maj Gen Kamran Ali (Retd) Rizwan Ullah Khan Brig Mukhtar Ahmed (Retd) Malik Riffat Mahmood
Executive Directors	Mr. Abdul Waheed

The number of elected/nominated directors on the Board are eight (8) whereas the Chief Executive is a "deemed director" under section 183(3) of the Companies Act, 2017.

Subsequent to the year end, two Non-executive directors of the Company, Lt Gen Naveed Mukhtar (Retd) and AVM Mohammad Athar Shams (Retd) resigned from the directorship on January 16, 2024, and January 31, 2024, respectively and casual vacancies were filled by the Board by appointing Lt Gen Nauman Mahmood (Retd) and Maj Gen Kamran Ali (Retd) respectively, within the stipulated time.

Board Meetings

During the year 2023, five meetings of the Board of Directors were held. Attendance in those meetings, by each of the director (at the Board of the Company in 2023) was as follows:

Name of Director	Meetings Attended
Lt Gen Naveed Mukhtar (Retd)	5
AVM Mohammad Athar Shams (Retd)	5
Rizwan Ullah Khan	5
Brig Mukhtar Ahmed	5
Malik Riffat Mahmood	5
Mr. Imran Iqbal	5
Mr. M. Munir Malik	4
Ms. Saima Akbar Khattak	5

The Board granted a leave of absence to the director who could not attend the Board Meetings. The list of the Board Committees, their composition and Terms of reference are given at page 48 of this report.

Pattern of Shareholding

The pattern of shareholding is given at page 275 of this report. There was no trading in shares of the Company by the Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children.

Statement on Risk Management and Internal Controls

The statement on Risk Management and Internal Controls is given at page 40 of this report.

Principal Risks and Uncertainties Facing the Company

The information relating to principal risks and uncertainties faced by the Company is given at page 43 of this report.

Board Committees

During the year 2023, the Audit Committee held five meetings whereas Ethics, Human Resource & Remuneration Committee held three meetings and all other committees met two times. The composition of the Board Committees and their terms of references are given at page 48 of this report.

Further, the Company has four sub committees of the Board which cover the core areas of business; these are Underwriting, Reinsurance & Coinsurance Committee, Claims Settlement Committee, Executive, Risk Management & Compliance Committee, and Investment Committee. The names of members and the terms of references of these committees are given at page 48 of this report.

OUTLOOK

Despite significant challenges, the overall economic outlook is likely to be optimistic in view of increased political confidence after general elections. We are hopeful that structural reforms will be implemented to cater risks such as budget deficit, and high inflation etc., to bring economic stability.

ACKNOWLEDGMENTS

We would like to take this opportunity to thank our Regulators, the Insurance Association of Pakistan (IAP), for their continued support, and our valued reinsurers and other stakeholders for their trust and confidence in us. Finally, we place on record our appreciation for the commitment and hard work of our employees towards the growth of the Company.

For and on behalf of the Board



Abdul Waheed
President & Chief Executive



Lt Gen Nauman Mahmood (Retd)
Chairman – Board of Directors

Rawalpindi
March 14, 2024

ڈائریکٹر کا نام	میٹنگز میں شرکت کی۔
لیٹیننٹ جنرل نوید مختار (ر)	5
اے ڈی ایم محمد اطہر شمس (ر)	5
رضوان اللہ خان	5
بریگیڈیئر مختار احمد (ر)	5
ملک رفعت محمود	5
جناب عمران اقبال	5
جناب ایم منیر ملک	4
محترمہ صائمہ اکبر خٹک	5

بورڈ نے ان ڈائریکٹرز کو غیر حاضری کی چھٹی دے دی جو بورڈ کے اجلاس میں شرکت نہیں کر سکے۔ بورڈ کمیٹیوں کی فہرست، ان کی تشکیل اور حوالہ جات کی شرائط اس رپورٹ کے صفحہ 48 پر دی گئی ہیں۔

شیر ہولڈنگ کا نمونہ

شیر ہولڈنگ کا نمونہ اس رپورٹ کے صفحہ 275 پر دیا گیا ہے۔ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں کی طرف سے کمپنی کے شیرز میں کوئی تجارت نہیں ہوئی۔

رسک مینجمنٹ اور اندرونی کنٹرول پر بیان

رسک مینجمنٹ اور انٹرنل کنٹرول کا بیان اس رپورٹ کے صفحہ 40 پر دیا گیا ہے۔

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال سے متعلق معلومات اس رپورٹ کے صفحہ 43 پر دی گئی ہیں۔

بورڈ کمیٹیاں

سال 2023 کے دوران، آڈٹ کمیٹی نے پانچ اجلاس منعقد کیے جبکہ اخلاقیات، انسانی وسائل اور معاوضے کی کمیٹی نے تین اجلاس منعقد کیے اور دیگر تمام کمیٹیوں کا دوبارہ اجلاس ہوا۔ بورڈ کمیٹیوں کی تشکیل اور ان کے حوالہ جات کی شرائط اس رپورٹ کے صفحہ 48 پر دی گئی ہیں۔

مزید، کمپنی کے پاس بورڈ کی چار ڈبلی کمیٹیاں ہیں جو کاروبار کے بنیادی شعبوں کا احاطہ کرتی ہیں۔ یہ انڈر رائٹنگ، ری بیس اور کوانٹورنس کمیٹی، گلیمز سٹیشن کمیٹی، ایگزیکٹو، رسک مینجمنٹ اینڈ کپلائنس کمیٹی، اور انویسٹمنٹ کمیٹی ہیں۔ اراکین کے نام اور ان کمیٹیوں کے حوالہ جات کی شرائط اس رپورٹ کے صفحہ 48 پر دیے گئے ہیں۔

نقطہ نظر

اہم چیزوں کے باوجود، عام انتخابات کے بعد بڑھتے ہوئے سیاسی اعتماد کے پیش نظر مجموعی معاشی نقطہ نظر پر امید ہونے کا امکان ہے۔ ہمیں امید ہے کہ معاشی استحکام لانے کے لیے بجٹ خسارے اور اعلیٰ افراط زر وغیرہ جیسے خطرات کو پورا کرنے کے لیے ساختی اصلاحات نافذ کی جائیں گی

اعترافات

ہم اس موقع پر اپنے ریگولیٹرز، انشورنس ایسوسی ایشن آف پاکستان (IAP) کا شکریہ ادا کرنا چاہیں گے کہ ان کی مسلسل حمایت، اور ہمارے قابل قدر ری بیس کنڈگان اور دیگر اسٹیٹ ہولڈرز کا ہم پر اعتماد اور بھروسہ ہے۔ آخر میں، ہم کمپنی کی ترقی کے لیے اپنے ملازمین کے عزم اور محنت کی تعریف کرتے ہیں۔

بورڈ کے لیے اور اس کی جانب سے



لیٹیننٹ جنرل نoman محمود (ر)
چیئرمین - بورڈ آف ڈائریکٹرز



عبدالوحید
صدر اور چیف ایگزیکٹو

راولپنڈی

14 مارچ، 2024

ڈائریکٹر کی رپورٹ

سال 2023 کے لیے جامع مالیاتی معلومات

ڈائریکٹرز کے معاوضے کی پالیسی

متعلقہ قانونی تقاضوں اور ایسوسی ایشن کے مضامین کی تعمیل کرنے کے لیے، کمپنی کے پاس چیئرمین، نان ایگزیکٹو، ایگزیکٹو اور آزاد ڈائریکٹرز کے معاوضے کے حوالے سے پالیسی ہے۔ ڈائریکٹرز کو بورڈ اور اس کی ذیلی کمیٹیوں کے اجلاسوں میں شرکت کے لیے صرف فیس ادا کی جاتی ہے اور ایسوسی ایشن کے آرٹیکلز کے مطابق، اس سلسلے میں ان کے ذریعے اٹھائے جانے والے اخراجات کی ادائیگی بھی کی جاتی ہے۔

کلیدی مالیاتی ڈیٹا

گزشتہ 6 سالوں کا کلیدی آپریشنل اور مالیاتی ڈیٹا سالانہ رپورٹ کے صفحہ 60 پر منسلک ہے۔

پراویڈنٹ فنڈ اور گریجویٹ فنڈ میں سرمایہ کاری کی قدر

پراویڈنٹ فنڈ اور گریجویٹ فنڈ میں سرمایہ کاری کی قدر، آڈٹ شدہ کھاتوں کی بنیاد پر، جیسا کہ 31 دسمبر 2023 تک تھی:

فٹا کا نام	2023	2022
روپے کروڑوں میں		
ایکپلائز پراویڈنٹ فنڈ	170	134
ایکپلائز گریجویٹ فنڈ	232	181

بورڈ کی تشکیل

اس وقت ڈائریکٹرز کی کل تعداد نو (09) درج ذیل ہے:

a. مرد	آٹھ (08)
b. خاتون	ایک (01)

زمرہ	ڈائریکٹر کا نام
آزاد ڈائریکٹرز	جناب ایم منیر ملک جناب عمران اقبال
نان ایگزیکٹو ڈائریکٹرز	لیفٹیننٹ جنرل نعمان محمود (ر) میجر جنرل کامران علی (ر) رضوان اللہ خان بریگیڈیئر مختار احمد (ر) ملک رفعت محمود
ایگزیکٹو ڈائریکٹرز	جناب عبدالوحید
خاتون ڈائریکٹر	محترمہ صائمہ اکبر خٹک

بورڈ میں منتخب / نامزد ڈائریکٹرز کی تعداد آٹھ (8) ہے جبکہ چیف ایگزیکٹو کمیٹیئر ایکٹ 2017 کے سیکشن 183(3) کے تحت ایک "ڈیپو ڈائریکٹر" ہے۔

سال کے اختتام کے بعد، کمپنی کے دو نان ایگزیکٹو ڈائریکٹرز، لیفٹیننٹ جنرل نوید مختار (ریٹائرڈ) اور اے وی ایم محمد اطہر شمس (ریٹائرڈ) نے بالترتیب 16 جنوری 2024 اور 31 جنوری 2024 کو ڈائریکٹر شپ سے استعفیٰ دے دیا اور بورڈ نے مقررہ وقت کے اندر بالترتیب لیفٹیننٹ جنرل نعمان محمود (ریٹائرڈ) اور میجر جنرل کامران علی (ریٹائرڈ) کو مقرر کر کے عارضی خالی آسامیاں پر کیں۔

بورڈ میٹنگز

سال 2023 کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس ہوئے۔ ان اجلاسوں میں ہر ایک ڈائریکٹر (2023 میں کمپنی کے بورڈ میں) کی حاضری حسب ذیل تھی:

ٹریڈنگ اور دیگر خدمات کے لیے معاہدہ

کمپنیز ایکٹ، 2017 کی دفعہ 208(2) کے مطابق، ہم شیئرز ہولڈرز کو مطلع کرنا چاہیں گے کہ کمپنی نے آسک ٹیک (پرائیویٹ لمیٹڈ) کے ساتھ ٹریڈنگ اور دیگر خدمات کی فراہمی کے لیے اپنا معاہدہ جاری رکھا ہے۔ لمیٹڈ، کمپنی کا ذیلی ادارہ۔ موثریہ کاروبار میں خطرات کو کم کرنے کے لیے ٹریڈنگ خدمات کی کوشش کی گئی ہے۔ ہم نے اس بات کو یقینی بنایا ہے کہ مذکورہ کمپنی کے ساتھ لین وین کافی حد تک ہو۔

آڈیٹرز

بیرونی آڈیٹرز

یوسف عادل چارٹرڈ اکاؤنٹنٹس نے سال 2023 کے لیے کمپنی کے مالیاتی بیانات کا آڈٹ کیا اور دوبارہ اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کے لیے پیش کیا۔ ضابطے اور ضابطوں کی ضرورت کے مطابق، بورڈ آڈٹ کمیٹی نے یوسف عادل چارٹرڈ اکاؤنٹنٹس کو سال 2024 کے لیے بیرونی آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے، اور بورڈ اس سفارش کی توثیق کرتا ہے۔

شریہ کپلائنس آڈیٹرز

ایس ایم سہیل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، دوبارہ تقرری کے اہل ہونے کی وجہ سے، کمپنی کے شریعت تعمیل آڈیٹرز کے طور پر، جیسا کہ کنفل روٹرز 2012 کے تحت ضروری ہے، نے خود کو دوبارہ تقرری کے لیے پیش کیا اور بورڈ آڈٹ کمیٹی کی سفارش پر بورڈ نے اس اہم کی تقرری کی منظوری دے دی ہے۔ سہیل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، سال 2024 کے لیے شریعت تعمیل آڈیٹرز کے طور پر۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

ڈائریکٹرز کی ذمہ داریوں کا بیان

کوڈ آف کارپوریٹ گورننس کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کی تعمیل میں، ڈائریکٹرز درج ذیل کی تصدیق کرتے ہیں:

- مالی گوشوارے، ان گوشواروں کا ایک لازمی حصہ بننے والے نوٹس کے ساتھ، کمپنی کی انتظامیہ نے کمپنیز ایکٹ، 2017 اور انشورنس آرڈیننس 2000 کے مطابق تیار کیے ہیں۔ اس کی حالت، اس کاموں کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی کے کھاتوں کی درستگی بکس رکھی گئی ہے۔
- ان مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز، انٹرنیشنل فنانس رپورٹنگ اسٹینڈرڈز یا کوئی دوسرا ضابطہ یا قانون (بشمول شرعی رہنما خطوط 11 اصولوں تک محدود نہیں) جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں بیرونی کی گئی ہے اور وہاں سے کسی بھی انحراف کا مناسب طور پر انکشاف کیا گیا ہے۔
- اندرونی کنٹرولز کا نظام ڈیزائن کے لحاظ سے درست ہے اور اسے پورے سال موثر طریقے سے لاگو اور مانیتور کیا گیا ہے۔
- جاری توثیق کے طور پر کمپنی جاری رکھنے کی صلاحیت پر کوئی خاص شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے۔
- ٹیکس، بڈیٹ، بیلنس اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں جو کہ 31 دسمبر 2023 تک بقایا ہیں، سوائے اس کے کہ مالی بیانات میں ظاہر کیا گیا ہو۔ اس طرح کے تمام واجبات بنیادی طور پر مالی سال 2023 کے آخری مہینے کے واجبات سے متعلق ہیں اور بعد میں وقت پر سرکاری خزانے میں جمع کرائے گئے تھے۔
- متعلقہ فریق کے لین وین کو آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کے ذریعے منظور یا توثیق کیا جاتا ہے۔

بورڈ کی کارکردگی کا جائزہ

کمپنی کا بورڈ آف ڈائریکٹرز ہر سال ہیر ایمرز کے ایک سیٹ کے خلاف خود تنقیدی مشق سے گزرتا ہے۔ یہ تنقیدیں بنیادی طور پر بورڈ کو اس کے سکرانی کے معیار کا جائزہ لینے میں مدد کرنے کے لیے کیا جاتا ہے کیونکہ یہ بورڈ کے اراکین کو آپ کی کمپنی کی ترقی کے لیے اپنے کردار اور ذمہ داریوں کو زیادہ موثر طریقے سے انجام دینے کے قابل بناتا ہے۔ یہ خود تنقیدی مخصوص ہیر ایمرز کی بنیاد پر تنقیدی طریقہ کار کے تحت کیا جاتا ہے۔

تنقیدی مشق اہم اہمیت کے شعبوں پر توجہ دیتی ہے جس میں درج ذیل شامل ہیں، لیکن ان تک محدود نہیں ہیں:

- بورڈ آف ڈائریکٹرز کی بنیادی تنظیم سے آگاہ کرنا
- بورڈ کے اراکین کے مجموعی کرداروں اور ذمہ داریوں کا اندازہ
- بورڈ اور اس کی کمیٹیوں کے کام کی تاخیر اور کارکردگی؛ اور
- انفرادی بورڈ کے اراکین کی کارکردگی اور شرکت کا اندازہ لگانا

ڈائریکٹر کی رپورٹ

سال 2023 کے لیے جامع مالیاتی معلومات

آگ اور املاک کا نقصان

اس حصے کے لیے مجموعی پریمیم انڈر رائٹ سال 2023 میں 910 ملین روپے تھا (2022: 689 ملین)۔ اس حصے نے سال 2023 میں کینی کے کل مجموعی پریمیم میں 19 فیصد کا حصہ ڈالا۔ سال 2023 میں اس حصے کا تعاون 103 ملین روپے تھا (2022: 85 ملین)۔ اس حصے میں مجموعی پریمیم میں 32 فیصد کا اضافہ ہوا۔ تاہم، زیادہ تر اضافہ ری انشورنس کے اخراجات میں ہوا جس نے بالآخر شراکت کے مارجن میں 21.18 فیصد اضافہ درج کیا۔

میرین، ایوی ایشن اور ٹرانسپورٹ

اس حصے نے سال 2023 میں ہمارے مجموعی کاروبار میں تقریباً 10 فیصد کا حصہ ڈالا جس میں مجموعی پریمیم 502 ملین کی ضمانت دی گئی تھی (2022: 302 ملین)۔ اس حصے نے سال 2023 میں 157 ملین کی شراکت دی (2022: 85 ملین)۔ سال کے دوران کچھ مخصوص بین الاقوامی سمندری بیمہ لین دین کی وجہ سے منافع میں تیزی سے اضافہ ہوا، جس نے کینی کے لیے صحت مند منافع حاصل کیا۔

متفرق

اس حصے میں انجینئرنگ بیمہ، ہانڈ بیمہ، فصل بیمہ، سفری بیمہ وغیرہ شامل ہیں۔ اس حصے کا کاروباری مرکب 2023 میں انڈر رائٹ کاروبار کا 17 فیصد ہے جس میں مجموعی پریمیم انڈر رائٹ 2023 میں 858 ملین ہے۔ (2022: 936 ملین)۔ اس حصے نے 218 ملین کی شراکت دی (2022: 201 ملین)۔

سرمایہ کاری، کرایہ اور دیگر آمدنی

سال 2023 میں مجموعی طور پر سرمایہ کاری اور دیگر آمدنی 62 فیصد بڑھ کر 528 ملین ہو گئی، جبکہ سال 2022 میں یہ 327 ملین تھی۔ سرمایہ کاری اور دیگر آمدنی میں تیزی سے اضافہ 22 فیصد کی اعلیٰ پالیسی کی شرح کی وجہ سے تھا۔ کے ایس ای-100 انڈیکس میں ہونے والے فوائد نے کینی کو سال 2023 کے آخر میں غیر حقیقی فوائد حاصل کرنے کے علاوہ سال کے دوران کچھ فوائد حاصل کرنے کے قابل بنایا۔

وڈو کا نقل آپریٹرز

وڈو کا نقل آپریٹرز (WTO) کینی کے کاروبار کے حجم اور منافع میں مسلسل اضافہ کر رہے ہیں اور ہم امید کرتے ہیں کہ یہ رجحان آنے والے سالوں میں بھی جاری رہے گا۔

2023 کے دوران WTO کی طرف سے تحریری شراکت 642 ملین روپے (2022: 458 ملین روپے) رہی۔ جبکہ سال 2023 کے لیے آپریٹرز فنڈ سے حاصل ہونے والا منافع 105 ملین تھا جبکہ سال 2022 میں 61 ملین تھا۔ مجموعی طور پر، روایتی انشورنس پورٹ فولیو کے طور پر، کاروبار میں ترقی اور تکفل آپریٹرز میں مجموعی شراکت کے منافع میں تقریباً اسی طرح کے عوامل سامنے آئے۔

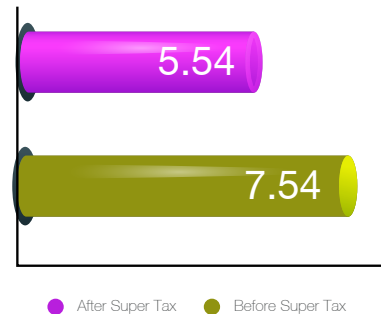
سپر ٹیکس کا اثر

مالی سال 2023 کے دوران، کینی نے مؤثر طریقے سے 45 فیصد کی شرح سے ٹیکس ادا کیا جس نے رواں سال 10 فیصد پر سپر ٹیکس کی فراہمی کے بعد اسے 428 ملین تک محدود کر کے ٹیکس کے بعد کینی کے منافع کو متاثر کیا ہے اور اس کے علاوہ 6 فیصد پیچھے سال (مالی سال 2022) جیسا کہ ٹیبل 2 میں بیان کیا گیا ہے۔ اگر کینی پر سپر ٹیکس نہ لگایا جاتا تو اس کا ای پی ایس فی حصص 7.54 ہوتا ہے اس کے کہ اس وقت رپورٹ شدہ ای پی ایس 5.96 ہوتا۔

تفصیل	روپے ہزاروں میں
ٹیکس سے پہلے منافع	770,932
ٹیکس کی فراہمی (ڈیل میں بریک پ ویکھیں)	(342,576)
ٹیکس کے بعد منافع	428,356

تفصیل	روپے ہزاروں میں
کارپوریٹ ٹیکس موجودہ سال	236,661
سپر ٹیکس موجودہ سال	81,608
سپر ٹیکس - پیچھلا سال	32,588
موخر ٹیکس	(8,281)
ٹیکس کا تخمینہ	342,576

EPS Behavior



مزید برآں، کمپنی نے ایس ای سی پی کے ذریعہ مقرر کردہ رہنما خطوط اور بین الاقوامی بہترین طریقوں پر سختی سے عمل کرتے ہوئے اپنے سامبر سیکیورٹی فریم ورک کو مضبوط بنانے میں غیر متزلزل لگن کا مظاہرہ کیا ہے۔ نئی فائز وائر، اینٹی وائرس سافٹ ویئر، اور ایس آئی ایم ٹولز جیسی جدید ترین ٹیکنالوجیز کا فائدہ اٹھاتے ہوئے، کمپنی سامبر خطرات کو روکنے، پتہ لگانے اور کم کرنے، حساس ڈیٹا کی حفاظت اور اسٹیک ہولڈرز کے اعتماد کو برقرار رکھنے کے اپنے عزم پر قائم ہے۔

لسٹڈ کمپنیاں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور کوڈ آف کارپوریٹ گورننس برائے بیہ کنندہ گان، 2016

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (ریگولیشنز) اور کوڈ آف کارپوریٹ گورننس برائے بیہ کنندہ گان، 2016 کمپنی پر لاگو ہیں۔ کمپنی نے ان ضوابط کی نشوونما کی مناسب تعمیل کی ہے۔ اس سلسلے میں تعمیل کا بیان صفحہ 65 پر دیکھا جاسکتا ہے۔

ڈیویڈنڈ سٹریٹیجی

بورڈ آف ڈائریکٹرز نے ان حصص یافتگان کو فی حصص 3.25 روپے کے حتمی نقد منافع کی -فشارش کی ہے جن کے نام کھانا بند ہونے کی مدت کے آغاز پر کمپنی کے شیئر رجسٹر میں ظاہر ہوتے ہیں۔

کارکردگی کا جائزہ

کمپنی کی کارکردگی کے اہم اشاریوں کا خلاصہ ذیل میں دیا گیا ہے:

31 دسمبر		
2022	2023	
(روپے ہزار میں)		
4,500,148	5,550,192	مجموعی تحریری پر بیمہ (شامل تکافل شراکت)
2,426,941	2,850,187	خالص پر بیمہ آمدنی
1,548,191	1,794,055	خالص دعوے
188,459	175,539	انڈر رائٹنگ منافع
327,751	529,412	سرمایہ کاری، کرایہ اور دیگر آمدنی
481,292	671,055	قبل از ٹیکس منافع جنرل انشورنس آپریٹرز
68,568	99,877	قبل از ٹیکس منافع ونڈو تکافل آپریٹرز (OPF)
355,088	428,356	بعد از ٹیکس منافع
4.94	5.96	فی شیئر آمدنی (روپے)

شعبہ دارکارکردگی کا تجزیہ

کاروبار کے ہر طبقے کے لیے سیگنٹس دائر کارکردگی کا تجزیہ حسب ذیل ہے:

حادثہ اور صحت

حادثہ اور ہمتیہ کے شعبے نے 34 فیصد کی خاطر خواہ نمودار کی ہے اور مجموعی طور پر 1.39 بلین (2022: 1.04 بلین روپے) پر بیمہ کے ساتھ مجموعی کاروبار میں سب سے بڑا شراکت دار بن گیا ہے اس شعبے کا کاروبار سال 2023 میں لکھے گئے کل مجموعی پر بیمہ 28 فیصد ہے۔ اس شعبے نے 49 بلین (2022: 111 بلین) کے مجموعی مارجن میں حصہ ڈالا۔ منافع میں کمی بنیادی طور پر سال کے دوران بلند افراط زر کی وجہ سے دعووں کی لاگت میں اضافے سے منسلک تھی۔

موٹر

موٹر شعبے نے کاروبار میں 16 فیصد کا اضافہ درج کیا، جو بنیادی طور پر سال کے دوران کاروں کی قیمتوں میں نمایاں اضافے کی وجہ سے ہوا۔ اس کا مجموعی پر بیمہ تحریری کل مجموعی پر بیمہ 25 فیصد تھا اور اس کی رقم 1.25 بلین روپے تھی۔ (2022: 1.07 بلین)۔ اس حصے نے 551 بلین روپے کے مجموعی مارجن میں حصہ ڈالا (2022: 457 بلین)۔ منافع میں اضافہ دعوئی کے موثر انتظام کی وجہ سے دعووں کی لاگت میں اضافے کے مقابلے پر بیمہ میں کافی زیادہ اضافے کی وجہ سے ہوا۔

ڈائریکٹر کی رپورٹ

سال 2023 کے لیے جامع مالیاتی معلومات

اقتصادی جائزہ

سال 2023 کے دوران، پاکستان بے مثال معاشی اور سیاسی چیلنجوں سے گزر رہا۔ پاکستانی روپے امریکی ڈالر کے مقابلے میں تیزی سے گر گیا جس نے توانائی کی قیمتوں میں تیزی سے اضافے کے ساتھ ساتھ اعلیٰ افراط زر کو جنم دیا اور اس کے جواب میں پالیسی کی شرح کو 22 فیصد تک بڑھا دیا گیا اس کے بعد اقتصادی ترقی میں سست روی آئی۔

پاکستان میں جزل انشورنس انڈسٹری کو زیادہ دھموں کی لاگت اور کم مانگ کی شکل میں اعلیٰ افراط زر کا منفی اثر پڑا دوسری طرف اعلیٰ شرح سود نے سرمایہ کاری کے بہتر منافع کی شکل میں سامنے آئی۔ ڈالر کے مقابلے میں روپے کی قدر میں کمی اور فاریکس کے کم ذخائر نے صنعت کے لیے ری بیمہ کی لاگت میں اضافہ کیا۔

2023 میں AGICO کمپنی

کمپنی مشکل معاشی حالات کے باوجود، کامیابی سے سال 2023 میں 5.5 بلین (بشمول تکافل شراکت کے 642 ملین روپے) کا مجموعی پربیم انڈر رائٹ کرنے میں کامیاب رہی۔ (2022: 4.5 بلین بشمول تکافل شراکت کے 457 ملین)۔ سرمایہ کاری کی آمدنی میں 68 فیصد اضافہ ہوا اور بالآخر 771 ملین ٹیکس سے پہلے منافع درج کیا۔ (2022: 550 ملین)۔ 6 فیصد کے اضافی سابقہ سپر ٹیکس لاگو ہونے کے بعد، ٹیکس کے بعد منافع اور فی حصص کمائی (ای پی ایس) سال 2023 میں 428 ملین (2022: 355 ملین) اور 5.96 فی حصص پر پہنچ گئی (2022: 4.94)۔

اہم جھلکیاں

کرڈٹ ریٹنگ

کمپنی نے پاکستان کرڈٹ ریٹنگ کمپنی لمیٹڈ (PACRA) اور VIS کرڈٹ ریٹنگ ایجنسی دونوں کی جانب سے مستحکم مستقبل کے آؤٹ لک کے ساتھ بالترتیب 7 فروری 2024 اور 29 فروری 2024 کی طرف سے دی گئی "AA+" کی بیمہ کنندہ کی مالیاتی طاقت کی درجہ بندی برقرار رکھی ہے۔

ڈیجیٹل اقدامات

عسکری جزل انشورنس کمپنی لمیٹڈ کے اسٹریٹجک اقدام کے مرکز میں تکنیکی ترقی کے لیے ایک غیر متزلزل عزم ہے، جس کا مقصد اہم سرمایہ کاری کو آگے بڑھانا ہے جس کا مقصد موجودہ نظاموں کو مضبوط بنانا اور نئی صلاحیتوں کو آگے بڑھانا ہے۔

اس اخلاق کا مرکز آڈیویشن اور ریگولیری گورننس کی بلند سطحوں کے لیے جامع انٹریپرائز آرکیٹیکچر کی اصلاح ہے۔

سال کے دوران اس اقدام سے پیدا ہونے والی ایک نمایاں کامیابی نئے موڈرل کلیمز مینجمنٹ سسٹم کا کامیاب آغاز ہے۔ یہ اختراعی نظام ایک متحد پلیٹ فارم کے طور پر کام کرتا ہے، جو تمام اسٹیک ہولڈرز کو بغیر کسی رکاوٹ کے ایک مربوط ماحولیاتی نظام میں ضم کرتا ہے، اس طرح کاغذ کے بغیر کام کے بہاؤ کے نمونے کی طرف ہموار منتقلی میں سہولت فراہم کرتا ہے۔ خاص طور پر، یہ سرورے کرنے والوں اور رکشائیں کے لیے معلومات کی فراہمی کو آسان بناتا ہے، جس سے دھموں کی کارروائی کی کارکردگی اور شفافیت میں انقلاب آتا ہے۔

متوازی طور پر، عسکری جزل انشورنس کمپنی لمیٹڈ نے اپنے گاہکوں کی منفرد ضروریات کے مطابق ایک گاہک مرکوز سیلف سروس پورٹل متعارف کرایا ہے۔ یہ پلیٹ فارم، جو آسانی سے موڈرل اور ٹریول پالیسی کی خریداری کے لیے ڈیزائن کیا گیا ہے، بغیر کسی رکاوٹ کے سیلف انسپیکشن اور پیمنٹ گیٹ وے کی افعال کے ساتھ مربوط ہے، جو براہ راست فروخت میں قابل ذکر اضافے کو متحرک کرتا ہے اور صارفین کے بے مثال اطمینان کو فروغ دیتا ہے۔

مزید برآں، کمپنی نے ایک متحرک کاروباری پورٹل کے ذریعے اپنے مارکیٹنگ ایجنٹوں اور اسٹیک ہولڈرز کو بااختیار بنانے کو ترجیح دی ہے۔ یہ انٹرایکٹیو پلیٹ فارم جامع کاروباری موازنہ کی سہولت فراہم کرتا ہے، بہتری اور مواقع کے شعبوں کو روشن کرنے کے لیے تاریخی اعداد و شمار کا فائدہ اٹھاتا ہے۔ انفرادی پالیسیوں تک پھیلے ہوئی باریک بصیرت سے لیں، ایگزیکٹوز کو بااختیار بنانے کا اختیار حاصل ہے جو پائیدار ترقی اور کارکردگی کو آگے بڑھاتے ہیں۔

صارفین کے اطمینان کو برقرار رکھنے میں شکایات کے موثر انتظام کے اہم کردار کو تسلیم کرتے ہوئے، کمپنی نے ایک ای-شکایت پورٹل شروع کیا ہے۔ یہ صارف دوست پلیٹ فارم کلائنٹس کو فوری اور موثر حل کو یقینی بناتے ہوئے تمام مطلوبہ محکموں میں ہموار انضمام کے ساتھ بغیر کسی رکاوٹ کے شکایات جمع کرنے اور ان پر نظر رکھنے کا اختیار دیتا ہے۔

مزید برآں، کمپنی نے ہینڈل کار پورٹل اور افراد کی منفرد ضروریات کے مطابق مخصوص پورٹلز کو شامل کرنے کے لیے اپنے سروس پورٹل فوئیبلس توسیع کی ہے۔ یہ مخصوص پلیٹ فارم خصوصیات کا ایک جامع مجموعہ پیش کرتے ہیں، جو صارفین کو پالیسی کی تفصیلات تک رسائی حاصل کرنے اور انتہائی سہولت اور کارکردگی کے ساتھ دھموں جمع کرنے کے قابل بناتے ہیں۔

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITIES

The Board of Directors ("the Board") of askari general insurance company limited (Company) recognizes the importance of maintaining a good system of risk management and internal controls to safeguard investment of shareholders and assets of the Company. The Board acknowledges its overall responsibility for reviewing the adequacy and integrity of the Company's system of risk management and internal controls, identifying principal risks and establishing an appropriate control environment and framework to manage risks and evaluating the Company's operational effectiveness and efficiency.

The Board has thoroughly reviewed the adequacy and effectiveness of the system of risk management and internal controls of the Company. It acknowledges the fact that owing to inherent limitations, the systems for this purpose can only manage rather than eliminate risk of business failure. Therefore, these systems cannot provide absolute assurance against material misstatements or losses and the effectiveness of an internal control system may vary over time.

SYSTEM OF RISK MANAGEMENT

The Board also acknowledges that all areas of the Company's activities involve some degree of risks and appreciates that effective risk management is part of best business management practices aimed at successfully

achieving the Company's goals and objectives. Operationally, the respective key management staff is responsible for managing the risks of their departments. Any significant risks facing the Company are highlighted at appropriate level of hierarchy to ensure such risks are closely monitored and appropriately addressed. The abovementioned practices culminate into an on-going process used to identify, evaluate and manage significant risks that affect the achievement of the Company's goals & objectives.



SYSTEM OF INTERNAL CONTROLS

The key measures implemented in the Company are as follows:-

- A well-defined organizational structure with well-defined responsibility matrix that sets out the authority delegated to the members of management;
- Documented policies and procedures for all significant processes;
- A management reporting system to facilitate the collection,

processing, monitoring and dissemination of critical information for management review and decision;

- Performance reports such as quarterly financial reviews, business development and other corporate matters are regularly provided to the Directors for discussion and deliberations at meetings of the Board;
- Review of quarterly and annual financial results by the Audit Committee;
- Regular meetings by the management team to discuss and review reports for business development and to resolve key operations and managements issues; and
- Reviewing adequacy and effectiveness of the system of internal control, with the assistance of the internal audit function.

INTERNAL AUDIT FUNCTION

The Company has an in-house internal audit function that constantly reviews the adequacy and integrity of the internal control systems of the Company.

The functions of the internal audit are as follows:-

- i. Perform audit work in accordance with the pre-approved internal audit plan;
- ii. Carry out review of the system of internal controls of the Company;
- iii. Review and comment on the effectiveness and adequacy of the existing control policies and procedures;

- iv. Provide recommendations, if any, for the improvement of the control policies and procedures; and
- v. Review and comment on the implementation status of the recommendations by the internal audit function.

The internal audit function reports directly to the Audit Committee. The internal audit reports are submitted to the Audit Committee who reviews and deliberates on the findings before making the necessary recommendations to the Board to strengthen its system of internal control and policies.

CONCLUSION

The Board has utmost assurance that the Company's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company.

The Board reiterates its commitment towards operating a sound system of internal controls and effective risk management practices throughout the Company. It is the view of the Board that the system of internal controls is adequate, considering the size of the Company's operations and functions; and that there was no breakdown or weaknesses in the system of internal control that may have resulted in a significant loss to the Company for the year ended 31 December 2023. The Board will remain vigilant and continue implementing the necessary measures to improve and strengthen the Company's system of risk management and internal controls to adapt to the ever changing and challenging business environment.

رسک مینجمنٹ اینڈ انٹرنل کنٹرول سے متعلق بیان

بورڈ کی ذمہ داریاں

« رپورٹوں اور کاروباری ترقی پر تبادلہ خیال کرنے اور اہم عمل کاروں اور انتظامی مسائل کو حل کرنے کے لئے انتظامی ٹیم کی طرف سے باقاعدہ اجلاس؛ اور
« داخلی آڈٹ فنکشن کی مدد سے، داخلی کنٹرول کے نظام کی موزونیت اور موثریت کا جائزہ لینا۔

داخلی آڈٹ فنکشن

کمپنی کے پاس ایک داخلی آڈٹ فنکشن ہے جو کمپنی کی داخلی کنٹرول کے نظام کی موزونیت اور سالمیت کا تسلسل سے جائزہ لیتا ہے۔

داخلی آڈٹ کے افعال مندرجہ ذیل ہیں:-

i	پہلے سے منظور شدہ داخلی آڈٹ منصوبہ کے مطابق آڈٹ کے کام سرانجام دینا؛
ii	کمپنی کے داخلی کنٹرول کے نظام کا جائزہ لینے کی کوشش کرنا؛
iii	موجودہ کنٹرول کی پالیسیوں اور طریقہ کار کی موثر اور مناسب نظر ثانی اور اس پر تبصرہ؛
iv	کنٹرول پالیسیوں اور طریقہ کاروں کی بہتری کے لئے سفارشات مہیا کرنا، اگر کوئی ہے تو؛ اور
v	داخلی آڈٹ فنکشن کی سفارشات کی نفاذ کی حیثیت پر نظر ثانی اور تبصرہ کرنا۔

داخلی آڈٹ فنکشن براہ راست آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ داخلی آڈٹ رپورٹس آڈٹ کمیٹی کو پیش کی جاتی ہے جو، داخلی کنٹرول اور پالیسیوں کے نظام کو مضبوط کرنے کے لئے بورڈ کو ضروری سفارشات کرنے سے پہلے نتائج پر نظر ثانی کرتا ہے۔

نتیجہ

بورڈ نے انتہائی یقین دہانی کی ہے کہ کمپنی کے "رسک مینجمنٹ اینڈ انٹرنل کنٹرول سسٹم" پر بنیاد رکھتے ہوئے کمپنی کے "رسک مینجمنٹ اینڈ انٹرنل کنٹرول سسٹم" تمام مادی پہلوؤں میں موزوں اور موثر انداز میں کام کر رہے ہیں۔

بورڈ نے کمپنی بھر میں داخلی کنٹرول اور موثر خطرے کے انتظام کے طریقوں کی موثر نظام کو چلانے کے لئے اپنی عزم کا اعادہ کیا ہے۔ کمپنی کے آپریشن اور افعال کے سائز پر غور کرتے ہوئے، یہ بورڈ کا نقطہ نظر ہے کہ اندرونی کنٹرول کا نظام مناسب ہے؛ اور یہ کہ داخلی کنٹرول کے نظام میں کوئی ایسی خرابی یا کمزوری نہیں تھی جو ۳۱ دسمبر ۲۰۲۳ء کو ختم ہونے والے سال کے لئے کمپنی میں اہم نقصان کا باعث بن سکتی تھی۔ بورڈ محتاط رہے گا اور کمپنی کے "رسک مینجمنٹ اینڈ انٹرنل کنٹرول سسٹم" کو بہتر بنانے اور مضبوط کرنے کے لیے، کبھی بھی بدلنے والے اور مشکل کاروباری ماحول کے مطابق، ضروری اقدامات پر عملدرآمد جاری رکھے گا۔

عسکری جزل انٹرنل کمیٹی لمیٹڈ (کمپنی) کا بورڈ آف ڈائریکٹرز ("دی بورڈ") کمپنی کے اثاثوں اور حصے داروں کی سرمایہ کاری کو محفوظ کرنے کے لئے "رسک مینجمنٹ اینڈ انٹرنل کنٹرول" کے اچھے نظام کو برقرار رکھنے کی اہمیت کو تسلیم کرتا ہے۔ بورڈ، بڑے خدشات کی پہچان کرتے ہوئے نیز خدشات کو قابو کرنے، کمپنی کے آپریشنل اثر و رسوخ اور کارکردگی کا اندازہ کرنے اور مناسب کنٹرول والا ماحول کا انتظامی ڈھانچہ بناتے ہوئے، کمپنی کے "رسک مینجمنٹ اینڈ انٹرنل کنٹرول" کی شناخت اور موزونیت کو مد نظر رکھنے کے لئے اپنی مجموعی ذمہ داری کو تسلیم کرنے کا اعتراف کرتا ہے۔

بورڈ نے کمپنی کے "رسک مینجمنٹ اینڈ انٹرنل کنٹرول" کے نظام کی موزونیت اور موثریت کا اچھی طرح سے جائزہ لیا ہے۔ بورڈ اس حقیقت کا اعتراف کرتا ہے کہ معتدل حدود کی وجہ سے، اس مقصد کے نظام، کاروباری ناکامی کے خطرے کو ختم کرنے کے بجائے صرف اسے منظم کر سکتے ہیں۔ لہذا، یہ نظام مواد کی غلطی یا نقصانات کے خلاف مطمئن یقین دہانی نہیں فراہم کر سکتا اور ایک اندرونی کنٹرول کے نظام کی تاثر وقتاً فوقتاً مختلف ہوتی ہے۔

رسک مینجمنٹ کا نظام

بورڈ یہ بھی اعتراف کرتا ہے کہ کمپنی کی سرگرمیوں کے تمام شعبہ جات میں کسی حد تک خدشہ شامل ہوتا ہے اور بورڈ یہ تعریف کرتا ہے کہ موثر رسک مینجمنٹ بہترین کاروباری مینجمنٹ کے طریقوں کا حصہ ہے جن کا مقصد کمپنی کے اغراض و مقاصد کو کامیابی سے حاصل کرنا ہے۔ عملی طور پر، متعلقہ کلیدی مینجمنٹ اسٹاف اپنے اپنے شعبہ جات کے خدشات کا انتظام کرنے کا خود مددگار ہے۔ کمپنی کو درپیش کسی بھی اہم خطرے کے متعلق تنظیمی ڈھانچے کے متعلق مناسب افراد کو باخبر کیا جائے تاکہ ان خدشات کی قریب سے نگرانی کی جائے اور مناسب طریقے سے ان کو حل کیا جائے۔ مندرجہ بالا طریقوں کا استعمال اس جاری عمل میں مفید ہے جو عمل ایسے نمایاں خدشات کی شناخت کرنے، ان کی تشخیص کرنے اور ان کو قابو کرنے کے لیے استعمال ہوتا ہے جو خدشات کمپنیوں کے اہداف اور مقاصد کی کامیابی کو متاثر کرتے ہیں۔

داخلی کنٹرول کا نظام

کمپنی میں لاگو اہم اقدامات مندرجہ ذیل ہیں:-

- « بالکل واضح ذمہ داری بیان کرنے والے میٹریکس کے ساتھ ایک بالکل واضح تنظیمی ڈھانچہ جو مینجمنٹ کے اراکین کو تفویض کردہ اختیار مقرر کرتا ہے؛
- « تمام اہم عمل کاروں کے لئے دستاویزی پالیسیاں اور طریقہ کار؛
- « انتظامی جائزے اور فیصلے کے لئے اہم تنقیدی معلومات کو جمع کرنا، اس کی پروسیجرنگ کرنا، اس کی نگرانی کرنا اور اس کو پھیلانے کے عمل کو بہل بنانے کے لیے مینجمنٹ رپورٹنگ سسٹم
- « کارکردگی کی رپورٹیں جیسا کہ سہ ماہی مالیاتی جائزے، کاروباری ترقی اور دیگر کارپوریٹ سے متعلقہ معاملات بورڈ کے اجلاسوں میں بحث و مباحثہ اور غور و فکر کے لیے باقاعدگی سے ڈائریکٹرز کو فراہم کی جاتی ہیں؛
- « آڈٹ کمیٹی کی طرف سے سہ ماہی اور سالانہ مالیاتی نتائج کا جائزہ؛

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY



STRATEGIC RISKS

Strategic risks are the result of Company's strategic objectives and business strategy decisions. The Company's Board of Directors have established an Executive, Risk Management & Compliance Committee through which it actively supervises the management of these risks and creates mitigating strategies wherever required.

BUSINESS RISKS

These risks are associated with the commercial essence of an entity. Common examples are reduced market share, amendments to product-pricing regulations or other regulatory changes undermining the organization's profitability are a few examples of these risks affecting the Company.

OPERATIONAL RISKS

These include risk of adverse change in the value of capital resources resulting from operational events such as inadequacy or failure of internal systems, personnel, procedures or controls etc.

FINANCIAL RISKS

The Company's activities exposes it to a variety of financial risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous year in the manner described in notes below. The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing the Company's risk management policies. These risks are divided into following categories:

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

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

industries and by continually assessing the credit worthiness of counterparties.

Concentration of credit risk occurs when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. The management monitors and limits the Company's exposure to credit risk through monitoring of client's exposure and maintaining conservative estimates of provisions for doubtful assets, if required. The management believes it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

The Company has diversified portfolio of investment to mitigate the risk. The major credit risk exposure relates to held to maturity investment that are placed with Government of Pakistan and a financial institution as mentioned in note 10 to the financial statements. The Company has also maintained a provision against certain certificates of investments as disclosed in note 10.5 to the financial statements.

2. MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market variable such as interest / mark up rate, foreign exchange rate and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The market risks associated with the Company's business activities are as follows:

A). Interest / Mark up rate risk

Interest / mark-up rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in the market interest / mark up rates. The Company invests in securities and has deposits that are subject to interest / mark up rates risk. The Company limits interest / mark up rate risk by monitoring changes in interest / mark up rates in the currencies in which its cash and investments are denominated. The Company's financial liabilities are not exposed to interest / mark up rate risk.

B). Foreign currency risk

Foreign currency risk is the risk that 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.

C). 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 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. For further details relating to Price Risk, please refer note no. 41 to the financial statements.

3. LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Liquidity requirements are monitored by management to ensure that adequate funds are available to meet any obligations as they arise. To guard against risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities.

For further information relating to Liquidity Risks facing the Company, please refer to note no. 41 to the financial statements.

Key Sources of Estimating Uncertainty

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that impact reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingencies. The estimates and associated assumptions are based on historical experience and various other factors that the management and the Board believe to be reasonable under the prevailing conditions. The results of these estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or

conditions. The key areas of estimating uncertainty, which may have a significant effect on the amounts recognized in the financial statements, are discussed below:

Provision for unearned premiums

The unearned premium reserve is the unexpired portion of the premium which relates to business in force at the balance sheet date. Calculation of unearned premiums is performed by applying 1/365 method as specified in the Insurance Accounting Regulations, 2017.

Premium deficiency reserve (liability adequacy test)

The Company maintains a provision in respect of premium deficiency for the class of business where the unearned premium liability is inadequate to meet the expected future liability, after reinsurance, from claims and other supplementary expenses expected to be incurred after the balance sheet date in respect of the unexpired policies in that class of business at the balance sheet date. The movement in the premium deficiency reserve is recorded as an expense in profit and loss account for the year, if any.

Provision for outstanding claims (including IBNR)

A liability for outstanding claims (including IBNR) is recognized in respect of all claims incurred up to the balance sheet date that is measured at the undiscounted value of expected future payments. An actuary carries out the valuation of IBNR claims based on guidelines issued by the Securities and Exchange Commission of Pakistan.

Employees' retirement benefits

The Company operates defined benefit pension fund and defined benefit gratuity fund for its employees. The accounting of these benefits is performed in accordance with International Accounting Standard (IAS) 19 – Employee Benefits.

Deferred taxation

Deferred tax asset or liability is recognized using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting and taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date.

Impairment in value of investments

All impairment losses are recognized in the profit and loss account. Provisions for impairment are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. Changes in the provisions are recognized as income or expense in the profit and loss account.

Investment properties

Investment Property is accounted for under cost model in accordance with approved International Accounting Standard (IAS) 40, "Investment Property" and S.R.O. 938 issued by the Securities and Exchange Commission of Pakistan. Valuation of investment properties are also carried out by independent valuers having relevant professional qualifications.

Useful lives of fixed assets

The assets' residual values, useful lives and method for depreciation are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Premium due but unpaid and Amounts due from other insurers/reinsurers

The Company reviews its premium due but unpaid and amounts due from other insurers / reinsurers portfolio to assess their recoverability and provision required there-against. While assessing this requirement, various factors including the delinquency and financial position of the counter party are considered.

داری کو پورا کرنے کے لئے مناسب فنڈ موجود ہیں۔ خطرے سے بچنے کے لئے، کمپنی نے لیکویڈٹی ذہن میں رکھنے کے ساتھ نقد، نقد مساوات اور مارکیٹنگ سکیورٹیز کے صحت مند توازن کو برقرار رکھتے ہوئے فنڈنگ وسائل اور اثاثہ جات کو مختلف جگہوں پر لگایا ہے۔

کمپنی کو درپیش لیکویڈٹی خطرات سے متعلق مزید معلومات کے لئے، براہ کرم نوٹ نمبر 41 کی طرف رہنمائی کریں۔

غیر یقینی صورتحال کا تخمینہ کرنے کے اہم ذرائع

مالی بیانات کی تیاری کے لیے اس چیز کی ضرورت ہوتی ہے کہ بورڈ آف ڈائریکٹرز ایسے تخمینے اور فیصلے کرے جو کہ اثاثہ جات، واجبات، آمدنیوں اور اخراجات اور متعلقہ افواہوں کے بارے میں اطلاع کی مقدار پر اثر انداز ہوں۔ تخمینہ جات اور منسلک مفروضات تاریخی تجربے اور دیگر متعدد عوامل پر مبنی ہیں جن کے بارے میں انتظامیہ اور بورڈ کا یہ خیال ہے کہ یہ موجودہ حالات کے تحت مناسب ہیں۔ ان تخمینوں اور مفروضوں کے نتائج اُن اثاثوں اور واجبات کے اقدار کے بارے میں فیصلہ کرنے کے لئے بنیاد بناتے ہیں جو کہ دوسرے ذرائع سے آسانی سے ظاہر نہیں ہوتے ہیں۔ مختلف نتائج یا حالات کے تحت اصل نتائج ان تخمینوں سے مختلف ہو سکتے ہیں۔ غیر یقینی تخمینہ کی اہم وجوہات، جس کا مالی بیانات میں تسلیم کردہ مقدماتوں پر ایک اہم اثر ہو سکتا ہے، کے بارے میں ذیل میں تبادلہ خیال کیا گیا ہے:

غیر موصول شدہ پر بیم کے لئے فراہمی

غیر موصول شدہ پر بیم ریزرو، بیلنس شیٹ ڈیٹ میں مذکور کاروبار سے متعلق پر بیم کا غیر متوقع حصہ ہے۔ "انسورنس اکاؤنٹنگ ریگولیشنز، ۲۰۱۷ء" میں بیان کردہ طریقہ کار کے ۱۰/۲۲ اور ۱۱/۲۲ حصے کو لاگو کرنے سے غیر موصول کردہ پر بیموں کا حساب لگایا جاتا ہے۔

پر بیم کی والی آمدن (واجبات جانچنے کا ٹیسٹ)

کمپنی، کاروبار کی کلاس کے لئے پر بیم کی کمی کے سلسلے میں شرط کو برقرار رکھتی ہے جہاں بکر بیمہ کاری کے بعد، مستقبل کے متوقع واجبات کو پورا کرنے کے لئے غیر موصول پر بیم واجبات ناقابل اعتماد ہے، ایسے دعویٰ جات اور دیگر اضافی اخراجات میں سے جن کے بارے میں یہ توقع ہے کہ یہ بیلنس شیٹ ڈیٹ میں کاروبار کی اس کلاس میں غیر متوقع پالیسی کے حوالے سے بیلنس شیٹ ڈیٹ کے بعد خرچ ہوں گے۔ پر بیم کی کمی کی آمدن میں تحریک، بوقت ضرورت، سال کے لئے منافع اور نقصان کے اکاؤنٹ میں خرچ کے طور پر ریکارڈ کی گئی ہے۔

بقایا جاتی رقوم کے دعویٰ کے لئے شرط (IBNR سمیت)

بقایا جاتی رقوم کے دعویٰ (بشمول آئی بی این آر) کی ذمہ داری ان تمام دعویوں کے سلسلے میں تسلیم کی جاتی ہے جو اس بیلنس شیٹ ڈیٹ تک خرچ ہوئے جس کی متوقع مستقبل کی ادائیگیوں کے غیر رعایتی اقدار تک پیمائش ہوئی۔ آئی بی این آر کے اُن دعویٰ جات کی تشخیص عمل میں لائی گئی جو دعویٰ جات اُن ہدایات پر مبنی تھے جو "سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان" نے جاری کیں۔

ملازمین کے ریٹائرمنٹ فوائد

کمپنی اپنے ملازمین کے لئے مقررہ پینشن فنڈ اور مقررہ پینشن فنڈ گریجویٹ فنڈ چلاتی ہے۔ ان فوائد کا اکاؤنٹنگ "بین الاقوامی اکاؤنٹنگ سٹینڈرڈ (آئی اے ایس) 19- ملازمین فوائد" کے مطابق کی جاتی ہے۔

معطل ٹیکس

مالیاتی رپورٹنگ اور ٹیکس کے مقاصد کے لئے اثاثوں اور واجبات کی منسوب کردہ رقوم کے درمیان تمام عارضی اختلافات کے لئے بیلنس شیٹ واجبات کا طریقہ استعمال کرتے ہوئے معطل ٹیکس اثاثہ یا واجبات کو تسلیم کیا جاتا ہے۔ شناخت شدہ معطل ٹیکس کی رقم کی بنیاد، بیلنس شیٹ ڈیٹ میں نافذ کردہ ٹیکس کی شرح کا استعمال کرتے ہوئے، اثاثوں اور واجبات کی رقم کی وصولی یا تصفیہ کے متوقع طریقہ کار پر ہے۔

سرمایہ کاری کی قیمت میں نقصان

منافع اور نقصان کے اکاؤنٹ میں تمام نقصانات کو تسلیم کیا جاتا ہے۔ ہر بیلنس شیٹ ڈیٹ میں نقصان کی شرائط کا جائزہ لیا جاتا ہے اور موجودہ بہترین تخمینوں کی عکاسی کرنے کے لئے اسے ایڈجسٹ کیا جاتا ہے۔ شرائط میں تبدیلی کو منافع اور نقصان کے اکاؤنٹ میں آمدنی یا اخراج کے طور پر تسلیم کیا جاتا ہے۔

سرمایہ کاری کی جائیداد

سرمایہ کاری کی جائیداد کو، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ S.R.O 938، "سرمایہ کاری پر اپریل" اور منظور شدہ بین الاقوامی اکاؤنٹنگ سٹینڈرڈ (آئی اے ایس) ۴۰ کے مطابق لاگت ماڈل کے تحت شمار کیا جاتا ہے۔ سرمایہ کاری پر اپریل کی تشخیص بھی خود مختار قابل قدر اشخاص کی طرف سے کی جاتی ہے جو متعلقہ پیشہ ورانہ اہلیت رکھتے ہوں۔

فلسفہ اثاثوں کا مفید بقاء

اثاثے کے باقی رہنے والے اقدار، مفید بقاء اور استحصال کے طریقہ کار کی ہر مالی سال کے اختتام پر نظر ثانی کی جاتی ہیں اور اگر قیمتوں میں اضافہ بہت نمایاں ہو تو انہیں ایڈجسٹ کیا جاتا ہے۔

پر بیم واجبات لیکن دیگر بیمہ کاروں / اکمر ذمہ داریوں کی طرف سے غیر ادا شدہ اور قابل ادارت

کمپنی اپنے اُن پر بیم واجبات جو کہ ابھی تک بیمہ کاروں / اکمر ذمہ داریوں کے پورٹ فولیو کی طرف سے غیر ادا شدہ اور قابل ادارت ہیں، ان کا جائزہ لیتی ہے تاکہ ان کی بحالی اور مطلوبہ فراہمی کے لئے رسائی حاصل کرے۔ اس تقاضے کا اندازہ کرتے ہوئے، ہم منصب پارٹی کی لاقانونیت اور مالی پوزیشن سمیت کئی عوامل شامل ہیں۔

کمپنی کو درپیش بڑے خطرات اور غیر یقینی صورتحال

اسٹریٹجک رسک

اسٹریٹجک رسک کمپنی کے اسٹریٹجک مقاصد اور کاروباری حکمت عملی کے فیصلے کا نتیجہ ہیں۔ کمپنی کے بورڈ آف ڈائریکٹرز نے ایک "ایگزیکٹو رسک مینجمنٹ اینڈ کمپلائنس کمیٹی" قائم کر دی ہے جس کے ذریعہ یہ کمپنی ان خطرات کے انتظام کی مؤثر طریقے سے نگرانی کرتی ہے اور جہاں بھی ضروری ہو یہ کمپنی ان خطرات کو کم کرنے کے لیے حکمت عملی بناتی ہے۔

کاروباری رسک

یہ خطرات کسی ادارے کے تجارتی جزو سے منسلک ہوتے ہیں۔ کمپنی کو متاثر کرنے والے ان خطرات کی چند مثالوں میں مارکیٹ شیئر کی کمی، مصنوعات کی قیمتوں کا تعین کرنے والے قواعد و ضوابط میں ترمیم یا کمپنی کے منافع کو کم کرنے والی دیگر ریگولیٹری تبدیلیاں بہت عام مثالیں ہیں۔

آپریٹنگ رسک

ان میں آپریٹنگ واقعات کے نتیجے میں کپیبل وسائل کی قدر میں منفی تبدیلی کا خطرہ شامل ہوتا ہے جیسا کہ اندرونی نظام، ایپارٹس، طریقہ کار یا کنٹرول وغیرہ کا ناکافی ہونا یا ان چیزوں کی ناکامی۔

مالیاتی رسک

کمپنی کی سرگرمیاں مختلف مالیاتی خطرات سے نمٹنے کے لئے ظہور میں آتی ہیں۔ کمپنی کا مجموعی رسک مینجمنٹ پروگرام مالیاتی مارکیٹوں کی غیر متوقع صلاحیت پر توجہ مرکوز کرتا ہے اور مالی کارکردگی پر ممکنہ منفی اثرات کو کم کرنے کی کوشش کرتا ہے۔ کمپنی درج ذیل اہم ملاحظات میں بیان کردہ طریقہ سے پچھلے سال کی نسبت اس سال بھی کسی چیز کی تبدیلی کے بغیر مالیاتی خطرے کے ظہور کا تسلسل سے انتظام کر رہی ہے۔ بورڈ آف ڈائریکٹرز پر کمپنی کے رسک مینجمنٹ فریم ورک کے قیام اور اس کی نگرانی کی مجموعی ذمہ داری ہے۔ کمپنی کی رسک مینجمنٹ پالیسیوں کی بہتری کے لئے بھی بورڈ ذمہ دار ہے۔ یہ خطرات مندرجہ ذیل اقسام میں تقسیم کیے گئے ہیں:

کریڈٹ رسک (قرض کا خطرہ)

کریڈٹ رسک ایسا خطرہ ہے جو اس امکان سے پیدا ہوتا ہے کہ ایک مالی آلہ پر ایک پارٹی اپنی ذمہ داری کو ہانے میں ناکام ہو جائے اور دوسری پارٹی کو مالی نقصان پہنچا دے۔ کمپنی، مختلف صنعتوں میں بہت سی ہم منصب پارٹیوں کے ساتھ لین دین کا آغاز کرتے ہوئے اور ہم منصب پارٹیوں کے کریڈٹ کی اہلیت کا جائزہ لیتے ہوئے کریڈٹ کے ظہور کی نگرانی کے ذریعہ کریڈٹ رسک کنٹرول کرنے کی کوشش کرتی ہے۔

کریڈٹ رسک کارکنان اس وقت ہوتا ہے جب کئی ہم منصب پارٹیاں ایک ہی قسم کی کاروباری سرگرمیاں کرتی ہیں۔ اس کے نتیجے میں، معاشی، سیاسی یا دیگر حالات میں کوئی بھی تبدیلی اسی طریقے سے ان کے معاہدے کو پورا کرنے کی صلاحیت پر اثر انداز ہوگی۔ مینجمنٹ، اگر ضرورت پڑے تو کلائنٹ کی پوشیدہ حقیقت کی نگرانی اور مشکوک اثاثہ جات کے لئے اشیاء کے روایتی تخمینوں کو برقرار رکھنے کے ذریعے، کمپنی کو کریڈٹ رسک میں پڑنے سے روکتی ہے یا اس خطرے کو کم کر دیتی ہے۔ مینجمنٹ کا خیال ہے کہ کریڈٹ رسک پر بہت زیادہ توجہ مرکوز کرنے کی ضرورت نہیں ہے کیونکہ کمپنی کے مالی اثاثہ جات مالیاتی لحاظ سے مضبوط اداروں میں ہے جو ادارے مختلف صنعتی شعبہ جات کا احاطہ کیے ہوئے ہیں۔

خطرے کو کم کرنے کے لئے کمپنی کے پاس سرمایہ کاری کا ایک متنوع پورٹ فولیو ہے۔ اہم کریڈٹ رسک کے واقع ہونے کا تعلق اس پورٹ فولیو سرمایہ کاری کے ساتھ ہے جو حکومت پاکستان اور مالیاتی ادارے کے ساتھ رکھی جاتی ہے جیسا کہ مالیاتی بیانات کے ملاحظہ نمبر 10 میں مذکور ہے۔ کمپنی نے سرمایہ کاری کے بعض شقیں کے خلاف ایکشن بھی برقرار رکھی ہے جیسا کہ مالیاتی بیانات کے ملاحظہ نمبر 10.5 میں انکشاف کیا ہے۔

مارکیٹ رسک

مارکیٹ رسک ایسا خطرہ ہے کہ جس میں مارکیٹ کے متغیرات جیسا کہ سود/منافع کی شرح، غیر ملکی کرنسی کی شرح اور ایکویٹی کی قیمتوں وغیرہ میں تبدیلی کے نتیجے میں مالی وسائل کی منصفانہ قیمت یا مستقبل کے نقد بہاؤ میں کمی پیش ہو جائے گی۔ اصل مقصد قابل قبول پیرامیٹرز کے اندر رہتے ہوئے مارکیٹ رسک سے نمٹنے کا انتظام کرنا اور اسے کنٹرول کرنا ہے، جبکہ واپسی کو بہتر بنانا مقصود ہو۔ کمپنی کی کاروباری سرگرمیوں کے ساتھ منسلک مارکیٹ رسک مندرجہ ذیل ہیں:

(اے) سود/منافع کی شرح کا رسک

سود/منافع کی شرح کا رسک ایسا خطرہ ہے کہ جس میں مارکیٹ سود/منافع کی شرح میں تبدیلی کے نتیجے میں مالی وسائل کی منصفانہ قیمت یا مستقبل کے نقد بہاؤ میں کمی پیش ہو جائے گی۔ کمپنی سیکورٹیز میں سرمایہ کاری کرتا ہے اور اس کے پاس رقوم ہیں جس میں سود/منافع کی شرح کا رسک موجود ہے۔ کمپنی اس کرنسی میں سود/منافع کی شرح میں تبدیلی کو مد نظر رکھتے ہوئے سود/منافع کی شرح کے رسک کو محدود کرتی ہے جس کرنسی میں کمپنی کے نقد رقوم اور سرمایہ کاری کی نشان زدگی کی گئی ہوتی ہے۔

(بی) غیر ملکی کرنسی رسک

غیر ملکی کرنسی رسک ایسا خطرہ ہے جس میں غیر ملکی کرنسی کی شرح میں تبدیلیوں کی وجہ سے مالی وسائل کی منصفانہ قیمت یا مستقبل کے نقد بہاؤ میں تبدیلی آ جائے گی۔ اس وقت کمپنی مادی طور پر کرنسی رسک میں مبتلا نہیں ہے کیونکہ زیادہ تر لین دین پاکستانی روپوں میں کیا جاتا ہے۔

(سی) قیمتوں کا رسک

قیمتوں کا رسک ایسا خطرہ ہے کہ جس میں مارکیٹ کی قیمتوں (سود/منافع کی شرح کے رسک یا کرنسی رسک کے علاوہ) میں تبدیلی کی وجہ سے مالیاتی وسائل کی منصفانہ قیمت میں کمی پیش واقع ہوگی، چاہے ان تبدیلیوں کی وجہ انفرادی مالیاتی وسائل یا اس کے اجراء کنندہ کے ساتھ مخصوص عوامل ہوں، یا مارکیٹ میں تجارت کیے جانے والے تمام بائیک جیسے مالیاتی وسائل پر اثر انداز ہونے والے عوامل ہوں۔ قیمتوں کے رسک سے متعلق مزید تفصیلات کے لئے، براہ کرم نوٹ نمبر 41 کی طرف رجوع کریں۔

لیکویڈیٹی رسک (مائع جاتی خطرات)

لیکویڈیٹی رسک ایسا خطرہ ہے جس میں کمپنی اپنے پر لاگو ہونے والے مالی واجبات کو پورا کرنے میں کامیاب نہیں ہو سکے گی۔ متوقع لیکویڈیٹی رسک مینجمنٹ کا مطلب مناسب نقد رقم اور مارکیٹنگ سیکورٹیز کو برقرار رکھنا ہے۔ انتظامیہ، لیکویڈیٹی کی ضروریات کی نگرانی کرتی ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ کسی بھی درپیش ذمہ

BOARD COMMITTEES

The company has six committees at the board level. These committees meet on quarterly basis to review the company's performance, which strengthens its governance framework.

The terms of reference and composition of these committees are given below:

Executive, Risk Management and Compliance Committee

The terms of reference of this committee include the following:

- a. Oversee the activities of the risk management function / department.
- b. Monitoring the compliance function and the insurer's risk profile in respect of compliance with the laws applicable to it as well as the internal policies and procedures.
- c. Supervise and monitor matters reported using the insurer's whistle blowing or other confidential mechanisms for employees and others to report compliance concerns or potential breaches, violations, or frauds.
- d. Approve all investments over Rs. 10 million and review progress of investments.
- e. Review yearly budget and recommend its approval to the Board.
- f. Review monthly performance of the Company.
- g. Review and approve claim payments over Rs. 1 million.
- h. Review legal suits filed by or against the Company.
- i. Consider any other matter related to the performance and operations of the Company.

The Committee comprises of four members, including the Chairman of this committee, three of whom are non-executive directors. Following is the composition of this committee:

Name	Status in Committee
Maj Gen Kamran Ali (Retd)	Chairman
Rizwan Ullah Khan	Member
Brig Mukhtar Ahmed (Retd)	Member
Mr. Abdul Waheed	Member

Audit Committee

The terms of reference of this committee include the following:

- determination of appropriate measures to safeguard the Company's assets;
- review of quarterly, half-yearly and annual financial statements of

the Company, prior to their approval by the Board of Directors, focusing on:

- o major judgmental areas;
 - o significant adjustments resulting from the audit;
 - o the going concern assumption;
 - o any changes in accounting policies and practices;
 - o compliance with applicable accounting standards;
 - o compliance with listing regulations and other statutory and regulatory requirements; and
 - o significant related party transactions.
- review of preliminary announcements of results prior to publication;
 - 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 the absence of management, where necessary);
 - review of management letter issued by external auditors and management's response thereto;
 - ensuring coordination between the internal and external auditors of the Company;
 - review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
 - consideration of major findings of internal investigations and management's response thereto;
 - ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective;
 - review of the Company's statement on internal control systems prior to endorsement by the Board of Directors;
 - determination of compliance with relevant statutory requirements;
 - monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
 - consideration of any other issue or matter as may be assigned by the Board of Directors.

The Committee comprises of three members, including the

Chairman of this committee, all of whom are non-executive directors. Following is the composition of this committee:

Name	Status in Committee
Mr. M. Munir Malik	Chairman
Mr. Malik Riffat Mehmood	Member
Brig Mukhtar Ahmed (Retd)	Member

Ethics, Human Resource & Remuneration Committee

The terms of reference of this committee include the following:

- recommending human resource management policies to the board;
- recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;
- recommending to the board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit; and
- consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO.
- proposing a remuneration approach and related policies for the insurer covering the remuneration policy, remuneration governance and structure (including approval policy for the level and composition of compensation), and the components of compensation (such as the amount of fixed remuneration, shares or options, other variable remuneration, pension rights, redundancy pay and other forms of compensation and benefits, as well as the performance criteria and their application);
- reviewing and making recommendations to the Board of Directors regarding the specific remuneration of the Board members, the Chief Executive Officer, Chief Financial Officer, Company Secretary, Compliance Officer and Head of Internal Audit.

The committee comprises of three members including the Chairman of this Committee, out of which one is independent, and one is a non-executive director. Following is the composition of this committee:

Name	Status in Committee
Mr. Imran Iqbal	Chairman
Brig Mukhtar Ahmed (Retd)	Member
Mr. Abdul Waheed	Member

Furthermore, the Company has three sub-committees of the Board, which cover the core areas of business. These committees meet on regular basis and are headed by non-executive directors. The functions and composition of the committees are given below:

Underwriting, Reinsurance & Coinsurance Committee

The Underwriting, Reinsurance & Coinsurance Committee formulates the under writing policy of the Company. It sets out the criteria for assessing various types of insurance risks and determines the premium policy of different insurance covers. It regularly reviews the underwriting and premium policies of the Company with due regard to relevant factors such as business portfolio and the market development.

This committee also ensures that adequate reinsurance arrangements are made for the Company. It peruses the proposed reinsurances arrangements prior to their execution, reviews the arrangements from time to time and subject to the consent of the participating reinsures, makes appropriate adjustments to those arrangements in the light of the market development. It also assesses the effectiveness of the reinsurance program for the future reference

Following is the composition of this committee:

Name of Member	Status in Committee
Maj Gen Kamran Ali (Retd)	Chairman
Mr. Zaheer Abbas	Member
Mr. Shahzad Ameer	Member
Mr. Shahzad Munir	Member

Claims Settlement Committee

This committee devises the claims settling policy of the Company. It oversees the claims position of the Company and ensures that adequate claims reserves are made. It pays particular attention to significant claims cases or events, which give rise to a series of claims. The Claims Settlement Committee determines the

BOARD COMMITTEES

circumstances under which the claims disputes be brought to its attention and decide how to deal with such claim's disputes. It also oversees the implementation of the measures for combating fraudulent claims cases.

Following is the composition of this committee:

Name	Status in Committee
Mr. Malik Riffat Mehmood	Chairman
Mr. Abdul Waheed	Member
Mr. M. Qasim	Member
Mr. Nadeem Ahmad	Member

Investment Committee

The Investment Committee is responsible for framing the investment policy for the Company and ensuring that the overall investment portfolio is managed in line with the approved investment policy. The functions of the committee are outlined below:

- Reviewing overall investment portfolio and investments and encashments made during the period under consideration;
- Reviewing the investment income generated in comparison with budgeted targets during the period under consideration;
- Reviewing and recommending the annual investment budget for the Board's approval;

- Assessing the macroeconomic and microeconomic factors for the foreseeable future and to issue guidance for further investments/disinvestments, restructuring of investment portfolio and reallocation of funds etc. so as to make timely decisions to maximize profits (or reduce possible losses), within the parameters of prudent and sound investment operations;
- Assessing the performance benchmarks for the investment portfolio;
- To ensure that the investment decisions are in synchronization with overall business strategy and investment policy of the Company; and
- To recommend changes in the investment policy guidelines, as and when considered necessary, to the Board of Directors.

Following is the composition of this committee:

Name	Status in Committee
Mr. Malik Riffat Mehmood	Chairman
Mr. M. Munir Malik	Member
Mr. Abdul Waheed	Member
Mr. Suleman Khalid	Member
Mr. Shahid Qayyum	Member



As we reflect on the challenges of 2023, both our company and our nation have weathered significant headwinds. Fiscal and governance issues, compounded by domestic and international factors, continue to shape our landscape.

In the automotive sector, we witnessed a sharp 70% decline in new vehicle sales, driven by soaring prices and currency depreciation. The broader impact on imported items has intensified, further straining availability and pricing across markets.

Despite these challenges, the insurance sector has been pivotal in fostering growth, particularly in vehicle tracking. However, high interest rates and regulatory constraints on bank financing have posed obstacles. Nonetheless, we have adapted by expanding our presence in the commercial sector like Transportation, Oil & Gas Motorways, Waste Management, Logistics and Distribution.

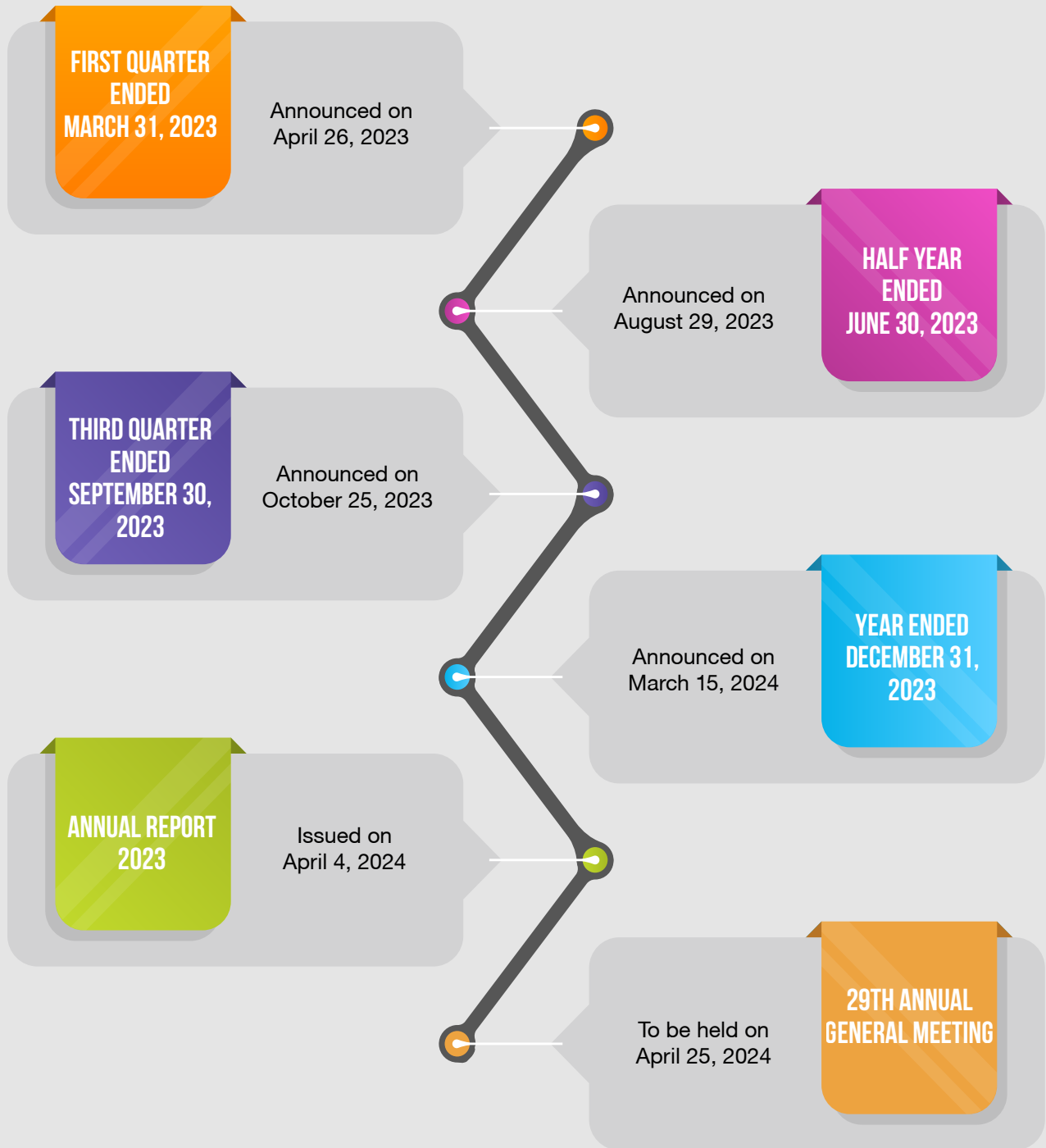
Our foray into innovative ventures, such as remote medical devices, encountered hurdles due to foreign exchange fluctuations. However, we remain committed to diversification and growth, exploring opportunities like Business process outsourcing (BPO) to enhance revenue streams.

Amidst constraints, we prioritize human capital, recognizing that our success hinges on our dedicated team. We extend heartfelt appreciation to our customers for their trust and team for their unwavering dedication. Special thanks to our Board of Directors for their invaluable guidance.

As we navigate uncertainties, we remain steadfast in our commitment to excellence, innovation, and resilience.

Jamshed Khan Jadoon
CEO-ASKTECH PVT LTD

FINANCIAL CALENDAR



FINANCIAL ANALYSIS

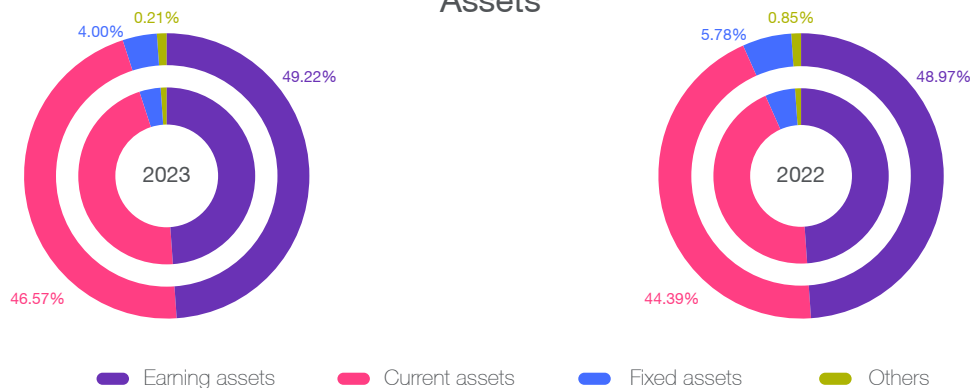
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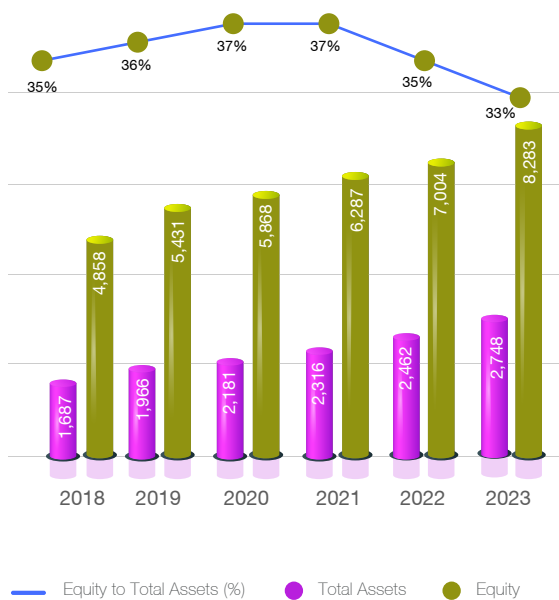
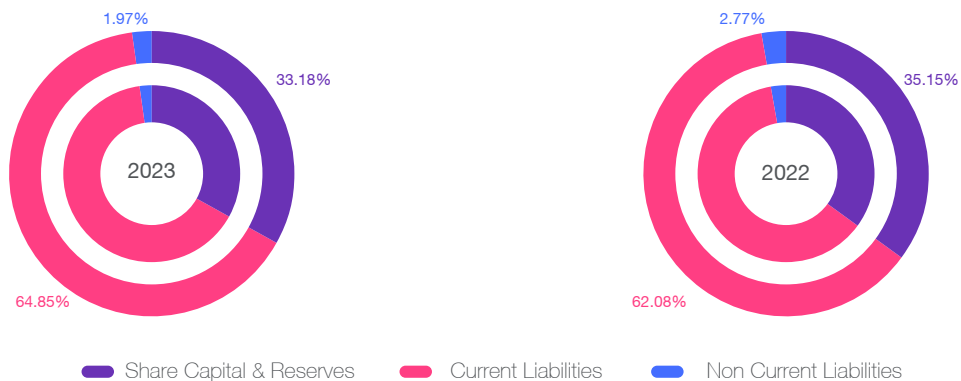
PERFORMANCE AT A GLANCE

GRAPHICAL ANALYSIS OF BALANCE SHEET

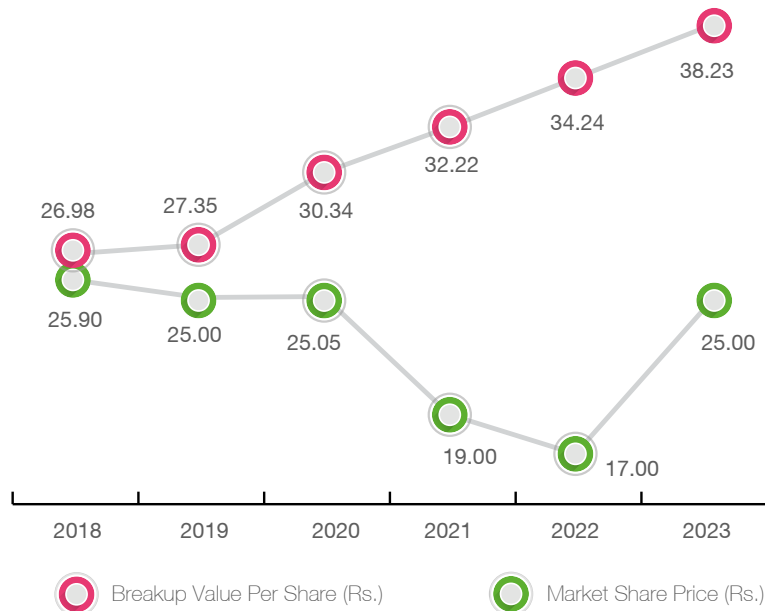
Assets



Shareholders' Equity and Liabilities

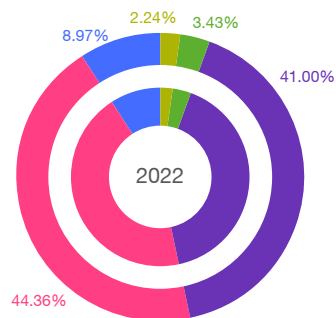
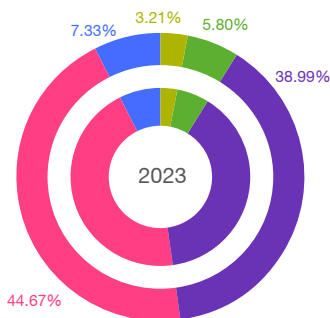


PERFORMANCE AT A GLANCE



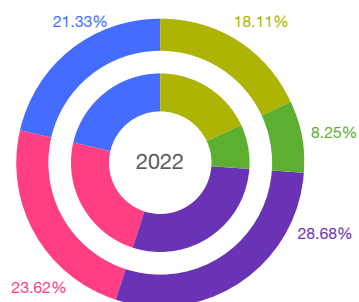
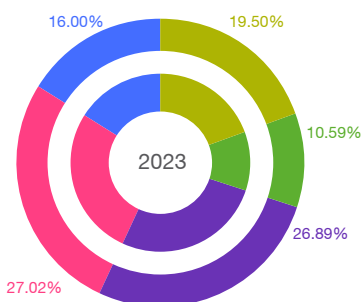
GRAPHICAL ANALYSIS OF PROFIT & LOSS

Net Premium - Business Wise



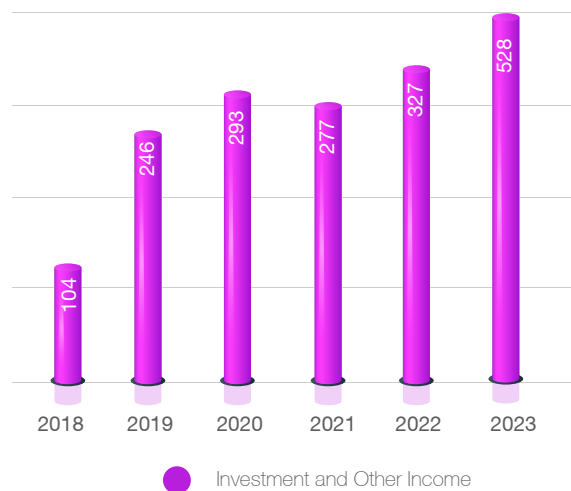
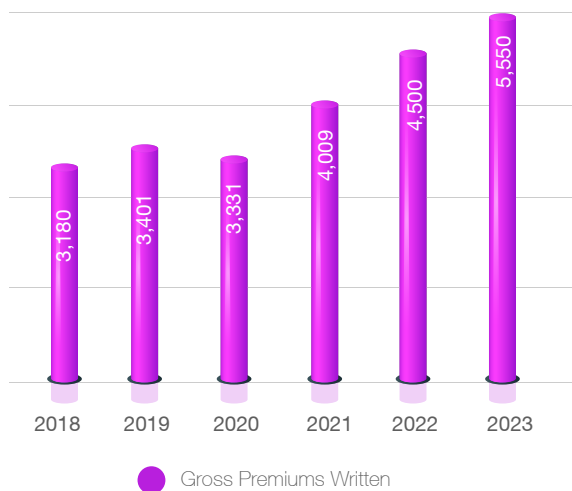
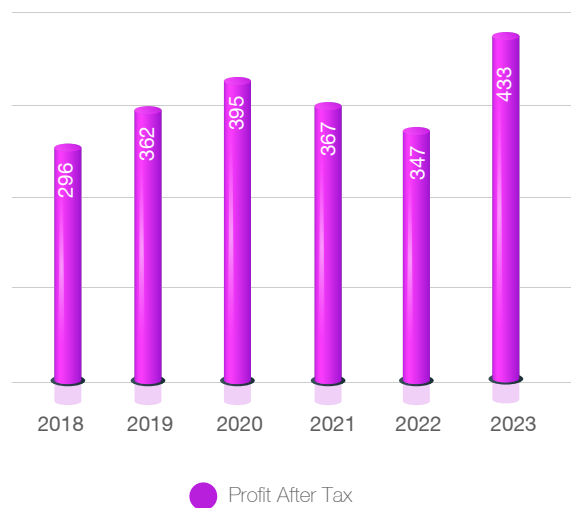
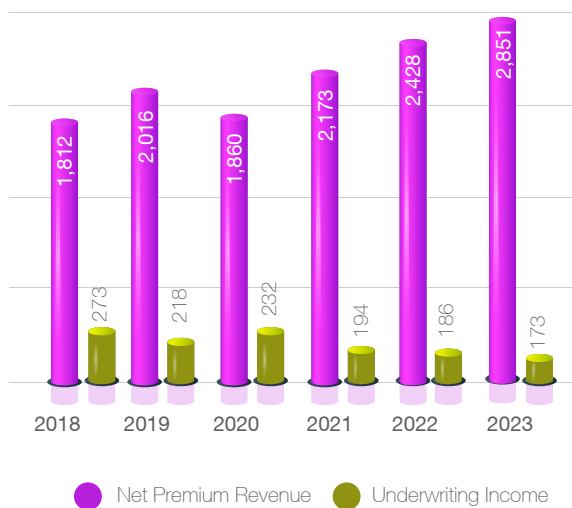
■ Fire and property damage ■ Marine, aviation and transport ■ Motor ■ Accident and health ■ Miscellaneous

Gross Premium - Business Wise



■ Fire and property damage ■ Marine, aviation and transport ■ Motor ■ Accident and health ■ Miscellaneous

PERFORMANCE AT A GLANCE



STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	Rupees in thousand	
Wealth Generated		
Net Premium Revenue	2,851,209	2,427,948
Commission from reinsurer	370,469	320,710
Investment income and profit on bank deposits	507,120	293,621
Rental income	6,472	5,991
Other income	14,826	27,379
Gain on Takaful	104,504	61,369
	3,854,600	3,137,017
Less:		
Claims, commission and expenses (excluding employees remuneration, depreciation and other taxes)	2,348,302	1,956,129
Net wealth generated	1,506,298	1,180,888
Wealth distribution:		
Employees' remuneration	609,930	522,761
Government taxes (includes income tax, WWF and other taxes)	339,908	193,441
Finance cost	23,307	25,605
	973,145	741,807
Distribution		
Cash Dividend	203,787	198,993
Stock Dividend	-	-
	203,787	198,993
Retained in business:		
Depreciation and amortization	100,635	92,491
Earnings	228,731	147,597
	329,366	240,088
Total Wealth Distributed	1,506,298	1,180,888

	2023		2022		2021		2020		2019		2018	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Balance Sheet												
Cash and Bank Deposits	314,999	3.80	291,610	4.16	196,392	3.12	231,797	3.95	342,237	6.30	147,175	3.03
Loans to Employees	356	0.00	342	0.00	357	0.01	222	0.00	12	0.00	324	0.01
Investments	3,726,938	44.99	3,101,836	44.29	2,775,132	44.14	2,550,902	43.47	2,216,837	40.82	1,831,910	37.74
Investment Property	35,261	0.43	36,571	0.52	37,881	0.60	39,191	0.67	40,501	0.75	41,811	0.86
Deferred Taxation	8,372	0.10	35,595	0.51	21,945	0.35	13,748	0.23	15,592	0.29	31,940	0.66
Current Assets - without investments, advances and cash and bank	3,420,665	41.30	2,763,033	39.45	2,515,054	40.00	2,338,914	39.86	2,247,921	41.39	2,357,261	48.56
Fixed Assets - Tangible and Intangible	331,631	4.00	405,136	5.78	405,135	6.44	383,751	6.54	285,910	5.26	228,906	4.72
House Building Finance	3,096	0.04	3,129	0.04	4,012	0.06	2,863	0.05	2,961	0.05	12,771	0.26
Total Assets from Window Takatful Operators - Operators' Fund (OPF)	441,872	5.33	366,960	5.24	331,192	5.27	306,866	5.23	279,427	5.14	202,467	4.17
Total Assets	8,283,190	100.00	7,004,212	100.00	6,287,100	100.00	5,868,254	100.00	5,431,398	100.00	4,854,565	100.00
Share Holders' Equity	2,748,615	33.18	2,462,108	35.15	2,316,327	36.84	2,181,933	37.18	1,966,379	36.20	1,686,721	34.75
Underwriting Provisions	3,635,027	43.88	2,700,673	38.56	2,455,739	39.06	2,315,988	39.47	2,117,312	38.98	2,196,594	45.23
Staff Retirement Benefits	59,909	0.72	74,859	1.07	78,743	1.25	70,788	1.21	67,081	1.24	54,390	1.12
Creditors and Accruals	1,445,940	17.46	1,379,129	19.65	1,066,156	16.96	929,642	15.84	1,085,769	19.07	751,407	15.48
Finance Lease Liability	158,038	1.91	199,754	2.85	213,106	3.39	209,092	3.56	100,390	1.85	59,591	1.23
Deposits and other payables	69,164	0.83	59,062	0.84	43,137	0.69	55,819	0.95	45,610	0.84	33,604	0.69
Other Liabilities	13,291	0.16	9,708	0.14	10,971	0.17	9,105	0.16	7,158	0.13	4,049	0.08
Total Liabilities from Window Takatful Operators - OPF	153,206	1.85	118,919	1.70	102,923	1.64	95,887	1.63	91,699	1.69	69,209	1.43
Total Equity and Liabilities	8,283,190	100.00	7,004,212	100.00	6,287,100	100.00	5,868,254	100.00	5,431,398	100.00	4,854,565	100.00
Profit & Loss Account												
Net Premium Revenue	2,851,209	117.43	2,427,948	100.00	2,172,782	100.00	1,860,234	100.00	2,016,249	100.00	1,811,751	100.00
Net Claims	1,794,055	73.89	1,548,190	63.77	1,377,015	63.38	1,116,735	60.03	1,250,767	62.03	1,069,485	59.03
Expenses	906,326	37.33	764,292	31.48	658,995	30.33	647,055	34.78	639,228	31.70	553,133	30.53
Net Commission	22,405	0.92	61,811	2.55	49,050	2.26	124,677	6.70	82,512	4.09	75,563	4.17
Investment Income including Rental & Bank Deposits Returns	513,592	21.15	299,612	12.34	268,815	12.37	284,130	15.27	224,875	11.15	81,824	4.52
Other Income	14,826	0.61	27,379	1.13	8,133	0.37	8,800	0.47	21,022	1.04	21,718	1.20
Finance Cost	23,307	0.96	25,605	1.05	13,385	0.62	16,982	0.91	12,356	0.61	4,297	0.24
Impairment in Value of Available for Sale Securities	1,678	0.07	34,970	1.44	-	-	-	-	-45,103	-2.24	38,711	2.14
Profit Before Window Takatful Operations and Tax	667,922	27.51	478,662	19.71	449,385	20.68	497,102	26.72	442,307	21.94	363,940	20.09
Profit / (loss) from Window Takatful Operations - OPF	104,504	4.30	61,369	2.53	54,849	2.52	62,898	3.38	67,157	3.33	56,907	3.14
Taxation - net	339,908	14.00	193,442	7.97	137,355	6.32	164,841	8.86	147,626	7.32	125,080	6.90
Profit After Tax	432,518	15.17	346,589	14.27	366,879	16.89	395,159	21.24	361,838	17.95	296,767	16.32

HORIZONTAL ANALYSIS

Balance Sheet	Rupees '000						% increase / (decrease) over preceding year					
	2023	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019	2018
Cash and Bank Deposits	314,999	291,610	196,392	231,797	342,237	147,175	8.02	48.48	(15.27)	(92.27)	132.54	(23.25)
Loans to Employees	356	342	357	222	12	324	4.22	(4.35)	60.85	1,719.67	(96.23)	(59.57)
Investments	3,726,938	3,101,836	2,775,132	2,550,902	2,216,837	1,831,910	20.15	11.77	8.79	15.07	21.01	11.50
Investment Property	35,261	36,571	37,881	39,191	40,501	41,811	(3.58)	(3.46)	(3.34)	(3.23)	(3.13)	(3.04)
Deferred Taxation	8,372	35,595	21,945	13,748	15,592	31,940	(76.48)	62.20	59.62	(11.83)	(51.18)	145.90
Current Assets - without investments, advances, and cash and bank	3,420,665	2,763,033	2,515,054	2,338,914	2,247,921	2,357,261	23.80	9.86	7.53	4.05	(4.64)	(1.97)
Fixed Assets - Tangible and Intangible	331,631	405,136	405,135	383,751	285,910	228,906	(18.14)	0.00	5.57	34.22	24.90	90.12
House Building Finance	3,096	3,129	4,012	2,863	2,961	12,771	(1.05)	(22.02)	40.14	(3.30)	-	-
Total Assets from Window Takatuf Operations - OPF	441,872	366,960	331,192	306,866	279,427	202,467	20.41	10.80	7.93	9.82	38.01	68.11
Total Assets	8,283,190	7,004,212	6,287,100	5,868,254	5,431,398	4,854,565	24.49	11.41	7.14	8.04	11.88	7.00
Share Holders' Equity	2,748,615	2,462,108	2,316,327	2,181,933	1,966,379	1,686,721	11.64	6.29	6.16	10.96	16.58	11.68
Underwriting Provisions	3,635,027	2,700,673	2,455,739	2,315,988	2,117,312	2,195,594	34.60	9.97	6.03	9.38	(3.57)	7.35
Staff Retirement Benefits	59,909	74,859	78,743	70,788	67,081	54,390	(19.97)	(4.93)	11.24	5.53	23.33	32.70
Creditors and Accruals	1,445,940	1,379,129	1,066,156	929,642	1,035,769	751,407	4.84	29.36	14.68	(10.25)	37.84	(2.83)
Finance Lease Liability	158,038	199,754	213,106	209,092	100,390	59,591	(20.88)	(6.27)	1.92	108.28	68.47	(6.55)
Deposits and other payables	69,164	59,062	43,137	55,818	45,610	33,604	17.10	36.92	(22.72)	22.38	35.73	(42.25)
Other Liabilities	13,291	9,708	10,971	9,105	7,158	4,049	36.91	(11.51)	20.50	27.19	76.78	76.20
Total Liabilities from Window Takatuf Operations - OPF	153,206	118,919	102,923	95,887	91,699	69,209	28.83	15.54	7.34	4.57	32.50	60.61
Total Equity and Liabilities	8,283,190	7,004,212	6,287,100	5,868,253	5,431,398	4,854,565	18.26	11.41	7.14	8.04	11.88	7.00
Profit & Loss Account												
Net Premium Revenue	2,851,209	2,427,948	2,172,782	1,860,234	2,016,249	1,811,751	17.43	11.74	16.80	(7.74)	11.29	33.59
Net Claims	1,794,055	1,548,190	1,377,015	1,116,735	1,250,767	1,069,485	15.88	12.43	23.31	(10.72)	16.95	71.84
Expenses	906,326	764,292	658,995	647,055	639,228	553,133	18.58	15.98	1.85	1.22	15.56	3.14
Net Commission	22,405	61,811	49,050	124,677	82,512	75,563	(63.75)	26.02	(60.66)	51.10	9.20	60.78
Investment Income including Rental & Bank Deposits Returns	513,592	299,612	268,815	284,130	224,875	81,824	71.42	11.46	(5.39)	26.35	174.83	(16.78)
Other Income	14,826	27,379	8,133	8,800	21,022	21,718	(45.85)	236.63	(7.58)	(58.14)	(3.21)	634.47
Finance Cost	23,307	25,605	13,385	16,982	12,356	4,297	(8.98)	91.30	(21.18)	37.44	187.55	(15.01)
Impairment in Value of Available for Sale Securities	1,678	34,970	-	-	(45,103)	38,711	-	-	-	(100.00)	(216.51)	767.37
Profit Before Window Takatuf Operations and Tax	667,922	478,662	449,385	497,102	442,307	363,940	39.54	6.51	(9.60)	12.39	21.53	6.81
Profit / (loss) from Window Takatuf Operations - OPF	104,504	61,369	54,849	62,898	67,157	56,907	70.29	11.89	(12.80)	(6.34)	18.01	139.56
Taxation - net	339,908	193,442	137,355	164,841	147,626	125,080	75.72	40.83	(16.67)	11.66	18.03	12.88
Profit After Tax	432,518	346,589	366,879	395,159	361,838	295,767	24.79	(5.53)	(7.16)	9.21	22.34	16.59

SIX YEARS PERFORMANCE

Financial Position	2023	2022	2021	2020	2019	2018
	Rupees in million					
Paid Up Share Capital	719,019	719,019	719,019	719,019	719,019	625,234
Retained Profits	1,805,783	1,575,852	1,425,034	1,268,728	1,055,860	887,788
Reserves	223,813	167,238	172,274	193,656	191,500	173,699
Share Holders' Equity	2,748,615	2,462,109	2,316,327	2,181,403	1,966,379	1,686,721
Underwriting Reserve	2,062,367	1,823,622	1,719,511	1,493,846	1,388,338	1,642,458
Investments	3,726,938	3,101,833	2,775,132	2,550,902	2,216,837	1,831,910
Investment Property	35,261	36,571	37,881	39,191	40,501	41,811
Fixed Assets - Tangible and Intangible	331,631	405,136	405,135	383,751	285,910	228,906
Total Assets	8,283,190	7,004,209	6,287,356	5,868,254	5,431,398	4,854,565
Market Share Price	25.00	17.00	19.00	25.05	25.00	25.90
Breakup Value Per Share	38.23	34.24	32.22	30.34	27.35	26.98
Financial Performance						
Gross Premium Written Including Takaful	5,550,191	4,500,149	4,009,173	3,331,066	3,400,520	3,179,799
Net Premium Revenue	2,851,209	2,427,948	2,172,781	1,860,234	2,016,249	1,811,751
Net Claims	1,794,055	1,548,190	1,377,015	1,116,735	1,250,767	1,069,485
Underwriting Income	173,233	186,438	193,743	231,906	217,839	272,577
Management and Other Expenses	916,748	764,292	658,995	647,055	639,228	553,133
Investment and Other Income	528,418	326,990	276,974	292,962	245,897	103,541
Finance Cost	23,307	25,605	13,385	16,982	12,356	4,297
Profit Before Window Takaful Operations and Tax	667,922	478,662	449,382	497,101	442,307	363,940
Profit / (loss) from Window Takaful Operations - OPF	104,504	61,369	54,849	62,898	67,157	56,907
Profit After Tax	432,518	346,590	366,878	395,158	361,838	295,767
Dividend	32.50%	29.00%	27.50%	28%	25%	15%
Bonus Shares	0%	0%	0%	0%	0%	15%
Earning Per Share (Rs.) (Restated)	6.02	4.82	5.10	5.50	5.03	4.11
Cash Flows Summary						
Operating Activities	281,816	460,209	255,670	206,117	575,132	364,137
Investing Activities	(30,383)	(60,742)	(2,574)	(55,301)	(225,537)	(274,436)
Financing Activities	(228,044)	(284,249)	(288,502)	(261,256)	(154,533)	(134,281)
Cash & Cash Equivalents at the year end	314,999	291,610	196,392	231,797	342,237	147,175

FINANCIAL RATIOS

	2023	2022	2021	2020	2019	2018
Profitability						
Profit Before Tax / Gross Premium	%	19.83	18.34	12.58	16.81	14.98
Profit Before Tax / Net Premium	%	38.60	33.99	23.21	30.10	25.27
Profit After Tax / Gross Premium	%	7.79	7.70	9.15	11.86	10.64
Profit After Tax / Net Premium	%	15.17	14.28	16.89	21.24	17.95
Underwriting Result / Gross Premium	%	3.12	4.14	4.83	6.96	6.41
Underwriting Result / Net Premium	%	6.08	7.68	8.92	12.47	10.80
Profit Before Tax / Total Income	%	28.62	26.01	19.68	23.81	21.04
Profit After Tax / Total Income	%	11.25	10.92	14.32	16.80	14.95
Combined ratio	%	94.40	82.90	79.79	86.14	79.53
Net Claims / Net Premium	%	62.92	63.77	63.38	60.03	62.03
Management and Other Expense / Net Premium	%	32.15	31.48	30.33	34.78	31.70
Return to Share Holders						
Return on Equity - PAT	%	15.74	14.08	16.82	20.10	21.45
Earning Growth	%	24.79	-5.53	-7.16	9.21	22.34
Return on Assets (Book value)	%	5.22	4.95	5.84	6.73	6.66
Earning Per Share	Rs.	6.02	4.82	5.10	5.50	5.03
Breakup Value Per Share	Rs.	38.23	34.24	32.22	30.34	27.35
Market Share Price	Rs.	25.00	17.00	19.00	25.05	25.90
Performance / Liquidity						
Current Ratio	Times	1.10	0.94	0.89	1.44	1.38
Cash / Current Liabilities	Times	0.06	0.07	0.05	0.07	0.10
Total Assets Turnover	Times	0.67	0.64	0.64	0.57	0.63
Fixed Assets Turnover	Times	16.74	11.11	9.90	8.68	11.89
Total Liabilities / Equity	Times	2.01	1.84	1.71	1.69	1.76
Paid-up Capital / Total Assets	%	8.68	10.27	11.44	12.25	13.24
Earning Assets / Total Assets	%	48.94	44.81	44.74	48.09	47.86
Equity / Total Assets	%	33.18	35.15	36.84	37.17	36.20
Cash Flow from Operations / Premium Written	%	5.08	10.23	6.38	6.19	16.91



Item	Value	Item	Value
1	100	10	1000
2	200	11	1100
3	300	12	1200
4	400	13	1300
5	500	14	1400
6	600	15	1500
7	700	16	1600
8	800	17	1700
9	900	18	1800
10	1000	19	1900
11	1100	20	2000
12	1200	21	2100
13	1300	22	2200
14	1400	23	2300
15	1500	24	2400
16	1600	25	2500
17	1700	26	2600
18	1800	27	2700
19	1900	28	2800
20	2000	29	2900
21	2100	30	3000
22	2200	31	3100
23	2300	32	3200
24	2400	33	3300
25	2500	34	3400
26	2600	35	3500
27	2700	36	3600
28	2800	37	3700
29	2900	38	3800
30	3000	39	3900
31	3100	40	4000
32	3200	41	4100
33	3300	42	4200
34	3400	43	4300
35	3500	44	4400
36	3600	45	4500
37	3700	46	4600
38	3800	47	4700
39	3900	48	4800
40	4000	49	4900
41	4100	50	5000
42	4200	51	5100
43	4300	52	5200
44	4400	53	5300
45	4500	54	5400
46	4600	55	5500
47	4700	56	5600
48	4800	57	5700
49	4900	58	5800
50	5000	59	5900
51	5100	60	6000
52	5200	61	6100
53	5300	62	6200
54	5400	63	6300
55	5500	64	6400
56	5600	65	6500
57	5700	66	6600
58	5800	67	6700
59	5900	68	6800
60	6000	69	6900
61	6100	70	7000
62	6200	71	7100
63	6300	72	7200
64	6400	73	7300
65	6500	74	7400
66	6600	75	7500
67	6700	76	7600
68	6800	77	7700
69	6900	78	7800
70	7000	79	7900
71	7100	80	8000
72	7200	81	8100
73	7300	82	8200
74	7400	83	8300
75	7500	84	8400
76	7600	85	8500
77	7700	86	8600
78	7800	87	8700
79	7900	88	8800
80	8000	89	8900
81	8100	90	9000
82	8200	91	9100
83	8300	92	9200
84	8400	93	9300
85	8500	94	9400
86	8600	95	9500
87	8700	96	9600
88	8800	97	9700
89	8900	98	9800
90	9000	99	9900
91	9100	100	10000

STATEMENTS & **REPORTS**

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INDEPENDENT AUDITORS REVIEW REPORT

To the members of Askari General Insurance Company Limited

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

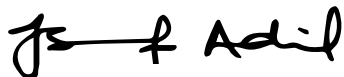
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'the Regulations') prepared by the Board of Directors of Askari General Insurance Company 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 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 Regulations and report if it does not and to highlight any non-compliance with the requirements of the 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 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 Regulations as applicable to the Company for the year ended December 31, 2023.



Chartered Accountants

Islamabad

Date: 3 April 2024

UDIN: CR202310134wPKisdKNO

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Name of the Company:

Askari General Insurance Company Limited (the Company)

Year Ending: 31 December 2023

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (CCG 2016) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (Regulations 2019).

The Company has applied the principles contained in CCG 2016 and Regulations 2019 in the following manner:

1. The total number of directors are nine (09) as per the following:

a.	Male	Eight (08)
b.	Female	One (01)

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

Category	Name of Director
Independent Directors	Mr. M. Munir Malik Mr. Imran Iqbal
Independent Female Director	Ms. Saima Akbar Khattak
Non-Executive Directors	Lt Gen Naveed Mukhtar (Retd) AVM Mohammad Athar Shams (Retd) Mr. Rizwan Ullah Khan Brig Mukhtar Ahmed (Retd) Malik Riffat Mahmood
Executive Directors (Chief Executive)	Mr. Abdul Waheed

All independent directors meet the criteria of independence as laid down under Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019.

- The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
- All the resident directors of the insurer are registered as taxpayers and none of them has defaulted on payment of any loan to a banking company, a development financial institution (DFI) or a non-banking financial institution (NBFI) or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
- No casual vacancy occurred on the Board during the year ended December 31, 2023.
- The Company has prepared a Code of Conduct & Ethics and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall

corporate strategy and significant policies of the insurer. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019.
- 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 requirements of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to frequency, recording and circulating minutes of meetings of Board.
- The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019.
- No orientation courses/training programs have been conducted for directors during the year to apprise them of their duties and responsibilities. However, policies regarding roles and responsibilities of directors were provided to the directors.
- The Board has established a system of sound internal control, which is effectively implemented at all levels within the insurer. The insurer has adopted and complied with all the necessary aspects of internal controls given under the Code of Corporate Governance for Insurers, 2016.
- The Board has approved the appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- The Directors' Report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019 and fully describes the salient matters required to be disclosed.
- CFO and Chief Executive Officer (CEO) duly endorsed the financial statements before approval of the Board.
- The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the insurer other than disclosed in the pattern of shareholding.
- The Company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019.
- The Board has put in place a mechanism for an annual evaluation of the Board's own performance as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

19. The Board has formed the following Management Committees under the Code of Corporate Governance for Insurers, 2016.:

Underwriting, Reinsurance & Coinsurance Committee:

Name of the Member	Category
AVM Mohammad Athar Shams (Retd)	Chairman
Mr. Shahzad Ameer	Member
Mr. Zaheer Abbas	Member
Mr. Shahzad Munir	Member

Claims Settlement Committee:

Name of the Member	Category
Malik Riffat Mahmood	Chairman
Mr. Abdul Waheed	Member
Mr. M. Qasim	Member
Mr. Nadeem Ahmad	Member

Executive, Risk Management & Compliance Committee:

Name of the Member	Category
AVM Mohammad Athar Shams (Retd)	Chairman
Mr. Rizwan Ullah Khan	Member
Brig Mukhtar Ahmed (Retd)	Member
Mr. Abdul Waheed	Member

20. The Board has formed the following Board Committees under the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019:

Ethics, Human Resource & Remuneration Committee:

Name of the Member	Category
Mr. Imran Iqbal	Chairman
Brig Mukhtar Ahmed (Retd)	Member
Mr. Abdul Waheed	Member

Investment Committee:

Name of the Member	Category
Malik Riffat Mahmood	Chairman
Mr. M. Munir Malik	Member
Mr. Abdul Waheed	Member
Mr. Suleman Khalid	Member
Mr. Shahid Qayyum	Member

21. The Board has formed an Audit Committee. It comprises of three (3) members, of whom one is independent director and two are non-executive directors. The chairman of the Committee is an independent director. The composition of the Audit Committee is as follows:

Audit Committee:

Name of the Member	Category
Mr. M. Munir Malik	Chairman
Malik Riffat Mahmood	Member
Brig Mukhtar Ahmed (Retd)	Member

22. During the year meeting of the Committees, were held as follows:

Committee	No of Meetings
Underwriting, Reinsurance & Coinsurance Committee	2
Claims Settlement Committee	2
Executive, Risk Management & Compliance Committee	2
Ethics, Human Resource & Remuneration Committee	3
Investment Committee	2
Audit Committee	5

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

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

25. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualifications and experience as required under the Code of Corporate Governance for Insurers, 2016. The persons heading the underwriting, claim, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under Section-12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Name of Persons	Designation
Mr. Abdul Waheed	Chief Executive Officer
Mr. Zaheer Abbas	Head of Underwriting
Mr. Shahzad Ameer	Head of Reinsurance
Mr. M. Qasim	Head of Claims
Mr. Hassan Shafiq	Head of Risk Management
Mr. Anwar Ahmed Malik	Compliance Officer / Head of Grievance Function
Mr. Suleman Khalid	Chief Financial Officer
Mr. Waqas Ali	Company Secretary
Mr. Ali Noor	Head of Internal Audit

Further, during the year 2023, Company Secretary of the Company resigned. Consequently, the Board appointed Mr. Waqas Ali as Company Secretary.

26. The Statutory auditors of the insurer have been appointed from the panel of auditors approved by the Commission in terms of Section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partner of the firm, their spouses and minor children do not hold shares of the insurer and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidance on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
27. The statutory auditors and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or Director of the Company.
28. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
29. The Board ensures that appointed actuary complies with the requirements set out for him in the Code of Corporate Governance for Insurers, 2016.
30. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code of Corporate Governance for Insurers, 2016.
31. The Board ensures that the risk management system of the Company is in place as per requirements of the Code of Corporate Governance for Insurers, 2016.
32. The Board has set up a risk management function/ department, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.

33. The Board ensured that, as part of the risk management system, the Company obtained IFS rating from PACRA and VIS, which is being used by its risk management function/department and the respective Committee as a risk monitoring tool. The rating assigned by the rating agencies are as follows:

Rating Agency	Rating	Outlook	Date
PACRA – Pakistan	AA+	Stable	7 February, 2024
VIS – Pakistan	AA+	Stable	29 February, 2024

34. The Board has set up a grievance department/function, which fully complies with the requirements of the Code of Corporate Governance for Insurers, 2016.
35. The Company has not obtained any exemptions from the Securities & Exchange Commission of Pakistan in respect of any of the requirements of the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019.
36. We confirm that all material principles contained in the Code of Corporate Governance for Insurers, 2016 and all requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with.

Lt Gen Nauman Mahmood (Retd)
Chairman – Board of Directors

Abdul Waheed
President & Chief Executive

Rawalpindi
March 14, 2024



UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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INDEPENDENT AUDITORS' REPORT

To the members of Askari General Insurance Company Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Askari General Insurance Company Limited (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2023, and the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2023, and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated 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(s)	How the matters were addressed in our audit
1	<p>Revenue Recognition</p> <p>(Refer notes 3.8 and 24 of the unconsolidated financial statements)</p> <p>The Company's total revenue amounts to Rs. 2,851.209 million which is generated from premium on insurance policies representing a significant element of the financial statements of the Company.</p> <p>Premium income is one of the key performance indicators of the Company. Because of the significance of the premium as key performance indicator and risk that revenue transactions may not be recognized in the appropriate period in line with revenue recognition policy, we considered this area as a key audit matter.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> - Obtained the understanding, evaluated the design and implementation and operating effectiveness controls over the process of capturing, processing and recording of premiums; - Assessed whether the Company's accounting policy for revenue recognition from premium is compliant with the requirements of applicable laws, accounting and reporting standards as applicable in Pakistan as disclosed in note 2.1 of the unconsolidated financial statements; - Evaluated the completeness, accuracy and reliability of the underlying policies/data used for revenue recognition from premiums; - Checked the premiums recorded on sample basis from the underlying policies issued to insurance contract holders; - Checked the policies on sample basis where premium was recorded close to year end and subsequent to year end to evaluate that revenue from premiums was recognized in the appropriate accounting period; - Recalculated the unearned portion of premium revenue to ensure that appropriate amount has been recorded as revenue for the current period.

S. No.	Key audit matter(s)	How the matters were addressed in our audit
2	<p>Valuation of Claims Liabilities including Provision for Incurred but Not Reported (IBNR) Claims Reserves</p> <p>(Refer notes 3.9 and 25 of the annexed unconsolidated financial statements)</p> <p>As at December 31, 2023, claims liabilities represent 26% (Rs. 1,450.64 million including Rs. 326.517 million of IBNR reserves) of its total liabilities (including Window Takaful Operations' Liabilities). Valuation of claim liabilities involves significant management judgment regarding uncertainty in the estimation of claims. Claims liabilities are recognized on intimation of the insured event based on management judgment and estimate. Provision for IBNR is calculated by the Company as required under Circular No. 9 of 2016 issued by the Securities and Exchange Commission of Pakistan based on the advice of actuary. The actuarial valuation process also involves significant judgment and the use of actuarial assumptions.</p> <p>Because of the significance of the impact of these judgments / estimations and assumptions used in determination of claims liabilities and calculation of provision for IBNR, we consider this area as key audit matter.</p>	<p>Our audit procedures in relation to this matter included amongst others:</p> <ul style="list-style-type: none"> - Assessed the design and implementation of the relevant controls over the measurement and calculation of IBNR reserves and evaluated the appropriateness of methodologies and assumptions used; - Evaluated the completeness, accuracy and reliability of the underlying data used by the management for the actuarial valuation; - Assessed competence, capability and objectivity of the actuary used by the management for calculation of provision for IBNR; - Involved an independent actuarial expert to test the assumptions and assessed their competence, capability, objectivity and the reasonableness of the assumptions used by the management and their accuracy; - Checked the adequacy of IBNR reserves and assessed an internal consistency and a reasonableness of basic actuarial figures with the prior year.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of 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 the unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

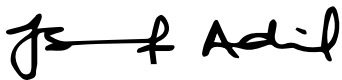
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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 the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- (b) the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI 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 Mr. Shahzad Ali.



Chartered Accountants
Islamabad

Date: 3 April 2024

UDIN: AR202310134W5C6DnrNI

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		31 December 2023	31 December 2022
	Note	Rupees in thousand	
ASSETS			
Property and equipment	5	324,278	395,144
Intangible assets	6	7,353	9,992
Investment property	7	35,261	36,571
Investment in subsidiary	8	10,000	10,000
Investments			
- Equity securities	9	732,845	341,988
- Debt securities	10	2,984,093	2,749,845
Loans and other receivables	11	259,756	197,437
Insurance / Reinsurance receivables	12	1,464,458	1,474,879
Reinsurance recoveries against outstanding claims	25	888,923	310,712
Salvage recoveries accrued		2,633	3,341
Deferred commission expense / Acquisition cost	26	154,757	108,258
Deferred taxation	15	8,372	35,595
Prepayments	16	653,590	671,877
Cash and bank	17	314,999	291,610
Total assets from Window Takaful Operations - OPF	44	441,872	366,960
Total Assets		8,283,190	7,004,209



Suleman Khalid
Chief Financial Officer



Abdul Waheed
President & Chief Executive



Malik Riffat Mahmood
Director



Maj Gen Kamran Ali (Retd)
Director



Lt Gen Nauman Mahmood (Retd)
Chairman

		31 December 2023	31 December 2022
	Note	Rupees in thousand	
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	18	719,019	719,019
Share premium	19	121,161	121,161
Reserves	19	102,652	46,077
Unappropriated profit		1,805,783	1,575,852
Total Equity		2,748,615	2,462,109
Liabilities			
Underwriting Provisions			
- Outstanding claims including IBNR	25	1,450,640	763,291
- Unearned premium reserves	24	2,062,367	1,823,622
- Unearned reinsurance commission	26	122,020	113,761
Retirement benefit obligations	13	9,038	30,675
Staff compensated absences	14	50,871	44,185
Liabilities against assets - secured	20	158,038	199,754
Taxation - provision less payment		92,691	26,708
Premium received in advance		194,993	63,361
Insurance / Reinsurance payables	21	889,529	1,034,109
Unclaimed dividends		13,291	9,708
Other creditors and accruals	22	268,727	254,946
Deposits and other payables		69,164	59,061
Total Liabilities		5,381,369	4,423,181
Total liabilities from Window Takaful Operations - OPF	44	153,206	118,919
Total Equity and Liabilities		8,283,190	7,004,209
Contingencies and commitments	23		

The annexed notes 1 to 48 form an integral part of these unconsolidated financial statements.

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

		31 December 2023	31 December 2022
	Note	Rupees in thousand	
Net insurance premium	24	2,851,209	2,427,948
Net insurance claims	25	(1,794,055)	(1,548,190)
Net commission and other acquisition costs	26	22,405	61,811
Insurance claims and acquisition expenses		(1,771,650)	(1,486,379)
Management expenses	27	(906,326)	(755,131)
Underwriting results		173,233	186,438
Investment income	28	449,855	267,960
Rental income	29	6,472	5,991
Other income	30	72,091	53,039
Other expenses	31	(10,422)	(9,161)
Results of operating activities		691,229	504,267
Finance costs	32	(23,307)	(25,605)
Profit before tax from General Operations		667,922	478,662
Profit before tax from Window Takaful Operations - OPF	33	104,504	61,369
Profit before tax		772,426	540,031
Income tax expense	34	(339,908)	(193,441)
Profit after tax		432,518	346,590
Other comprehensive income:			
Items that will be reclassified subsequently to profit and loss account:			
Unrealised gain / (loss) on available for sale investments - net		55,992	(4,149)
Unrealized loss on available for sale investments from Window Takaful Operations - OPF (net)		583	(887)
		56,575	(5,036)
Items that will not be reclassified subsequently to profit and loss account:			
Effect of remeasurement of staff retirement benefit plans - net		6,004	2,020
Total comprehensive income for the year		495,097	343,574
Earnings (after tax) per share - Rupees (restated)	35	6.02	4.82

The annexed notes 1 to 48 form an integral part of these unconsolidated financial statements.



Suleman Khalid
Chief Financial Officer



Abdul Waheed
President & Chief Executive



Malik Riffat Mahmood
Director



Maj Gen Kamran Ali (Retd)
Director



Lt Gen Nauman Mahmood (Retd)
Chairman

UNCONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Rupees in thousand		
Operating cash flows		
a) Underwriting activities:		
Premium received	5,041,174	4,012,553
Reinsurance premium paid	(1,623,035)	(1,456,638)
Claims paid	(2,476,417)	(1,889,692)
Reinsurance and other recoveries received	568,951	475,547
Commission paid	(387,771)	(244,413)
Commission received	306,467	316,927
Management expenses paid	(769,767)	(663,831)
Net cash flows generated from underwriting activities	659,602	550,453
b) Other operating activities:		
Income tax paid	(282,872)	(142,065)
Other expenses paid	(10,823)	(9,700)
Other operating receipts / (payments)	(84,076)	61,505
Advances to employees	(15)	16
Net cash used in other operating activities	(377,786)	(90,244)
Total cash generated from all operating activities	281,816	460,209
Investing activities:		
Profit / return received	342,478	276,383
Dividends received	68,875	19,250
Payments for investments	(3,213,309)	(2,652,674)
Proceeds from investments	2,824,113	2,310,030
Fixed capital expenditure	(58,253)	(36,022)
Proceeds from disposal of fixed assets	5,713	2,291
Total cash used in investing activities	(30,383)	(80,742)
Financing activities:		
Financial charges paid	(23,307)	(25,605)
Repayment of obligation under finance lease	(11,982)	(68,642)
Dividend paid	(203,787)	(198,993)
Staff house building finance - net	48	884
Mark-up on staff house building finance received	631	477
Funds Amortized Against Leased Vehicles	10,429	7,692
Equity transactions costs paid	(76)	(62)
Total cash used in financing activities	(228,044)	(284,249)
Net cash used in all activities	23,389	95,218
Cash and cash equivalents at beginning of the year	291,610	196,392
Cash and cash equivalents at end of the year	314,999	291,610

The annexed notes 1 to 48 form an integral part of these unconsolidated financial statements.

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

UNCONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	Rupees in thousand	
Reconciliation to Profit and Loss Account		
Operating cash flows	281,816	460,209
Depreciation and ammortization expense	(100,635)	(92,490)
Financial charges	(23,307)	(25,605)
Gain on disposal of fixed assets	3,016	2,160
Decrease in assets other than cash	941,241	134,192
Decrease in liabilities other than running finance	(1,224,201)	(435,491)
Unrealized gain on investments - held for trading	1,513	91
Provision For Diminution In Value Of Investments	(1,679)	(34,970)
Dividend income	68,864	19,250
Investment income	351,150	282,069
Profit on bank deposits	57,265	25,661
Income tax provision	(339,908)	(193,441)
Gain on trading	30,007	1,521
Tax paid	282,872	142,065
Profit after taxation from General Insurance Operations	328,014	285,221
Profit from Window Takaful Operations - OPF	104,504	61,369
Profit after taxation	432,518	346,590

Definition of cash :

Cash comprises cash in hand, bank balances, stamp in hand and short term placements with banks which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

	2023	2022
	Rupees in thousand	
Cash for the purpose of cash flow statement consists of:		
Cash and other equivalents		
Cash in hand	1,582	1,561
Stamp in hand	1,388	762
	2,970	2,323
Current and other accounts		
Current accounts	33,108	24,146
Deposit accounts	278,921	265,141
	312,029	289,287
Total	314,999	291,610

The annexed notes 1 to 48 form an integral part of these unconsolidated financial statements.

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital		Reserves			Total	Total
	Issued, subscribed and paid up	Capital reserve	Revenue reserve			reserves	equity
			Share premium	General reserve	Available for sale investment revaluation reserve		
Rupees in thousand							
Balance as at 01 January 2022	719,019	121,161	70,000	(18,887)	1,425,034	1,597,308	2,316,327
Total comprehensive income for the year							
Profit for the year	-	-	-	-	346,590	346,590	346,590
Other comprehensive income for the year - net of tax	-	-	-	(5,036)	2,020	(3,016)	(3,016)
Total comprehensive loss for the year	-	-	-	(5,036)	348,610	343,574	343,574
Changes in owners' equity							
Cash dividend 2021: Rupees 2.75 per share	-	-	-	-	(197,730)	(197,730)	(197,730)
Equity transaction costs	-	-	-	-	(62)	(62)	(62)
	-	-	-	-	(197,792)	(197,792)	(197,792)
Balance as at 31 December 2022	719,019	121,161	70,000	(23,923)	1,575,852	1,743,090	2,462,109
Balance as at 01 January 2023	719,019	121,161	70,000	(23,923)	1,575,852	1,743,090	2,462,109
Total comprehensive income for the year							
Profit for the year	-	-	-	-	432,518	432,518	432,518
Other comprehensive income for the year - net of tax	-	-	-	56,575	6,004	62,579	62,579
Total comprehensive income for the year	-	-	-	56,575	438,522	495,097	495,097
Changes in owners' equity							
Cash dividend 2022: Rupees 2.90 per share	-	-	-	-	(208,515)	(208,515)	(208,515)
Equity transaction costs	-	-	-	-	(76)	(76)	(76)
	-	-	-	-	(208,591)	(208,591)	(208,591)
Balance as at 31 December 2023	719,019	121,161	70,000	32,652	1,805,783	2,029,596	2,748,615

The annexed notes 1 to 48 form an integral part of these unconsolidated financial statements.

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

Askari general insurance company limited ("the Company") was incorporated under the Companies Ordinance, 1984 (Repealed with enactment of the Companies Act, 2017) as a public limited company on 12 April 1995. The Company is engaged in non-life insurance business comprising of fire, marine, motor, health and miscellaneous. The Company commenced its commercial operations on 15 October 1995. Shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office and principal place of business of the Company is located at AWT Plaza, Rawalpindi. The Company has 20 branches in Pakistan. The Company is a subsidiary of Army Welfare Trust.

The Company was granted license to work as Window Takaful Operator (WTO) dated August 10, 2015 by the Securities and Exchange Commission of Pakistan (SECP) under Takaful Rules, 2012 to carry on Window Takaful Operations in Pakistan.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard 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, Takaful Rules, 2012 and General Takaful Accounting Regulation, 2019. In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 and General Takaful Accounting Regulation, 2019 shall prevail.

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

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 89(1)/2017 dated 9 February, 2017 has prescribed format of the presentation of annual financial statements for general insurance companies. These financial statements have been prepared in accordance with the format prescribed by the SECP.

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

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

2.2 Basis of measurement

These unconsolidated financial statements have been prepared on the historical cost convention except for certain financial instruments which are stated at their fair values and obligation under certain employee retirement benefit funds including staff compensated absences which are measured at their present values as determined under the provisions of IAS-19, "Employee Benefits".

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency. Figures have been rounded off to the nearest rupees in thousand, unless otherwise stated.

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

The following amendments are effective for the year ended December 31, 2023. These amendments are either not relevant to the Company's / Bank's operations or are not expected to have significant impact on the Company's / Bank's financial

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

statements other than certain additional disclosures.

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.

Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

2.5 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

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

	Effective from Accounting period beginning on or after
Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with Convents along with Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards

The SECP vide SRO 1715 (I) / 2023 dated November 21, 2023 has directed the companies engaged in insurance/takaful and re-insurance/re-takaful to follow IFRS 17 from January 01, 2026.

- IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' has become applicable, however as an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below:

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

(a) Financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(b) All other financial assets

As at December 31, 2023				
Fail the SPPI test		Pass the SPPI test		
Fair Value	Change in unrealized gain / (loss) during the period	Carrying Value	Cost less Impairment	Change in unrealized gain / (loss) during the period
Rupees in thousand				
Financial assets				
Cash and Bank*	-	314,999	-	-
Investment in equity securities -available-for-sale	470,061	16,413	-	-
Investment in debt securities - available-for-sale	-	210,025	-	-
Investment in debt securities - held to maturity	-	2,774,068	-	-
Loans and other receivables*	-	259,756	-	-
Total	470,061	16,413	3,558,848	-

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

3 MATERIAL ACCOUNTING POLICY INFORMATION

During the year, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

The accounting policies as set out below have been applied consistently to all periods presented in these unconsolidated financial statements.

3.1 Property and Equipment

These are stated at cost less accumulated depreciation and impairment losses, if any, except for capital work in progress which is stated at cost less impairment losses, if any. Depreciation is charged on depreciable amount over the estimated useful life using straight line method. Depreciation is charged on monthly basis where full month depreciation is charged in the month of addition and no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the profit and loss account in the year in which they are incurred. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

3.2 Intangible

Software development cost are only capitalized to the extent that future economic benefits are expected to flow to the entity. Intangible assets with finite useful lives are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged on the amortizable amount over the useful life of the asset by applying straight line method. Intangible assets with indefinite useful lives are stated at cost less impairment losses, if any.

3.3 Investment property

Investment Property is accounted for under cost model in accordance with approved International Accounting Standard (IAS) 40, "Investment Property" and S.R.O. 938 dated 12 December 2002 issued by the Securities and Exchange Commission of Pakistan.

Depreciation is charged on depreciable amount on straight line basis over its estimated useful life at the rate of 2.5% per annum.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Subsequent capital expenditures on existing properties and gains or losses on disposals are accounted for in the same manner as tangible fixed assets.

3.4 Insurance contracts

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

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

- Fire and property damage;
- Marine, aviation and transport;
- Motor;
- Health and accident; and
- Miscellaneous.

These contracts are normally one year insurance contracts except marine and miscellaneous classes. Normally all marine insurance contracts are of three months period. In miscellaneous class, some engineering insurance contracts are of more than one year period, whereas, normally travel insurance contracts and few bond insurance contracts in miscellaneous class expire within one month time.

These contracts are provided to all types of customers based on assessment of insurance risk by the Company. Normally personal insurance contracts e.g. vehicle, travel, personal accident, etc. are provided to individual customers, whereas, insurance contracts of fire and property, marine, aviation and transport, accident and health and other commercial line products are provided to commercial organizations.

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

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

Motor insurance provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident.

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

Liability insurance contracts protect the insured against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events.

Other various types of insurance are classified in miscellaneous category which includes mainly engineering, terrorism, personal accident, worker compensation, travel, products of financial institutions, livestock and crop insurance etc.

The Company also accepts insurance risk pertaining to insurance contracts of other insurer as reinsurance inward. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer.

Reinsurance contracts

Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant are reinsurance contracts. The Company enters into reinsurance contracts with both foreign and local reinsurers.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3.5 Deferred Commission Expense

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

3.6 Receivables and payables under insurance contracts

Receivable under insurance contracts are recognized 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 that impairment loss is recognized in the profit and loss account.

3.7 Reinsurance contracts held

The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same year as the related premiums for the direct or accepted reinsurance business being reinsured. Reinsurance premium is recognized as expense after taking into account the proportion of deferred premium expense which is calculated using pattern similar to calculation of premium income for the same policy. The deferred portion of premium expense is recognized as prepayment.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in the manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurance 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 contracts.

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

The Company assesses its reinsurance assets for impairment on balance sheet date. If there is any objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

Pakistan Reinsurance Company Limited (PRCL) retrocession business is booked on the basis of PRCL statements pertaining to the previous years.

3.8 Revenue Recognition

3.8.1 Premiums

Premium written under all insurance policies is recognized as income over the period of insurance from the date of issuance of policy to its expiry, after taking into account the unearned portion of premiums. Amount is recorded as premium written at the time the policy is written. Where the pattern of incidence of risk varies over the year of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired year of coverage is recognized as unearned premium by the Company. The unearned premium is calculated by applying 1/365 method as specified in the Insurance Accounting Regulations, 2017.

Premium income includes administrative surcharge that represents documentation charges recovered by the Company from policy holders in respect of policies issued. Administrative surcharge is recognized as premium income at the time of issuance of policy.

3.8.2 Commission

Commission expense incurred on issuance of policies is deferred and recognized as asset and is recognized in the profit and loss account as an expense in accordance with pattern of recognition of premium revenue. Commission and other forms of revenue (apart from recoveries) from reinsurers are deferred and recognized as liability and recognized in the profit and loss account as revenue in accordance with the pattern of recognition of the reinsurance premium. Profit / commission, if any, under the terms of reinsurance arrangements, is recognized when the Company's right to receive the same is established.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3.8.3 Investment income

Following are recognized as investment income;

- Income from held to maturity investments is recognized on a time proportion basis taking into account the effective yield on the investments. The difference between the redemption value and the purchase price of the held to maturity investments is amortized and taken to the profit and loss account over the term of the investment.

- Dividend income on securities held for trading and available for sale securities and is recognized when the Company's right to receive the dividend is established

- Gain / loss on sale of available-for-sale investments is recognized in profit and loss account in the year of sale

3.9 Claim expense including provision for outstanding claims including Incurred But Not Reported

The Company recognizes liability in respect of all claims incurred up to 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 claims 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 as at 31 December 2023 is made on the basis of individual case estimates by using Chain Ladder Method (Development technique) on the basis of recommendation by an independent actuary under the guidelines issued by Insurance Division of SECP vide its Circular 9 of 2016 dated March 09, 2016 for estimation of IBNR claims reserve, which were effective from 01 July 2016.

Class of business	IBNR	
	Gross	Net
	Rupees in thousand	
- Fire and property damage;	4,129	941
- Marine, aviation and transport;	23,561	1,361
- Motor;	30,963	25,014
- Accident and health; and	220,900	207,058
- Miscellaneous.	46,964	5,253
	326,517	239,627

3.10 Reinsurance recoveries against claims

Claims recoveries receivables from the reinsurers are recognized as an asset at the same time as the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received in accordance with respective reinsurance arrangements.

3.11 Premium deficiency reserve

The Company is required as per the Insurance Accounting Regulations, 2017, 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 supplementary expenses expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. The movement in the premium deficiency reserve is recorded as an expense in the statement of comprehensive income.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The liability of premium deficiency in relation to accident and health insurance is calculated in accordance with the advice of the actuary.

No provision has been made as the unearned premium reserve for each class of business as at the year end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at reporting date.

3.12 Provision for unearned premium and prepaid reinsurance premium ceded

In accordance with the requirements of Insurance Rules, 2017, provision for unearned premium is calculated by applying 1/365 method. Unearned portion of premium is recognized as liability.

The deferred portion of reinsurance premium is recognized as reinsurance premium ceded using 1/365 method.

3.13 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the services received, whether or not billed to the Company.

Provisions are recognized 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 reporting date and adjusted to reflect the current best estimate.

3.14 Investments in subsidiary and associate

Investments in subsidiary and associated undertakings are carried at cost less impairment loss, if any.

At each reporting date, the carrying amounts of investments if any, in subsidiary and associates is reviewed to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. In making an estimate of recoverable amount of these investments, the management considers future dividend stream and an estimate of the terminal value of these investments. Impairment losses are recognized as expense in the profit and loss account.

Currently the Company has investment in AskTeck (Pvt.) Ltd. which is wholly owned subsidiary and classified as investments in subsidiary at reporting dates, presented in these financial statements.

3.15 Investments

3.15.1 Classification

The classification of financial assets is determined at initial recognition and depends on the purpose for which the financial assets were acquired. Currently, the financial assets of the Company are classified into the following categories:

a) In equity securities

Surplus / (deficit) arising on revaluation of quoted securities which are classified as available for sale investments is taken to a separate account which is shown in the statement of financial position as revaluation surplus. The surplus / (deficit) arising on these securities is taken to the profit and loss account when actually realized upon disposal or in case of impairment of securities. The unrealized surplus / (deficit) arising on revaluation of quoted securities which are classified as held for trading is taken to the profit and loss account. Provision for diminution in the values of securities is made after considering impairment, if any, in their value and is taken to profit and loss account. Impairment is booked when there is an objective evidence of significant or prolonged decline in the value of such securities. Unquoted investments are recorded at cost less accumulated impairment losses, if any.

b) In debt securities

These are investments with fixed or determinable payments and fixed maturities which the Company has the intention and ability to hold till maturity. Provision for impairment against debt securities is made in accordance with the requirements of the law. In case of unquoted equity securities, the breakup value of the security should be considered to determine impairment

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

amount. Premium or discount on debt securities classified as available for sale and held to maturity is amortized using effective interest method and taken to the profit and loss account.

c) In term deposits

These are investments with fixed or determinable payments and fixed (short term) maturities which the Company has the intention and ability to hold till maturity.

Investments which are designated at fair value through profit or loss upon initial recognition.

3.15.2 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.16 Taxation

Current

Provision of current tax is based on the 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 finalized during the current year for such years.

Deferred taxation

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences unused tax losses and tax credits can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized 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 other comprehensive income or equity in which case it is included in other comprehensive income or equity.

3.17 Employees' retirement benefits

a) Defined benefit plan

The Company operates a funded gratuity scheme covering all eligible employees completing the minimum qualifying year of service as specified by the scheme. The assets of the funded plan are held independently in a separate fund. Provision for gratuity is made to cover obligations under the scheme in accordance with the actuarial recommendations. The latest actuarial valuation was carried out as at 31 December 2023.

Actuarial valuation was carried out using the Projected Unit Credit Method based on the following significant assumptions:

	2023	2022
Discount rate	15.50% per annum	14.50% per annum
Expected return on plan assets	15.50% per annum	14.50% per annum
Expected rate of increase in salary	15.50% per annum	14.50% per annum
Average expected remaining working life time of the employee	8 years	8 years
Mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Company recognizes the actuarial gains or losses in other comprehensive income in the year in which they arise.

b) Defined contribution plan

The Company operates a recognized staff provident fund as a defined contribution plan for all eligible employees. Equal monthly contributions are made both by the Company and the employees to the fund at the rate of 8.33% of basic salary. The Company's contribution is charged to income during the year.

c) Compensated absences

Provisions for compensated absences is recognized annually to cover the obligation for compensated absences and charged to profit and loss account. The provision is determined using the projected unit credit method.

The latest actuarial valuation was carried out as at 31 December 2023 based on the following significant assumptions:

Actuarial valuation was carried out using the Projected Unit Credit Method based on the following significant assumptions:

	2023	2022
Discount rate	15.50% per annum	14.50% per annum
Expected rate of increase in salary	15.50% per annum	14.50% per annum
Average number of leaves accumulated per annum	5 days	5 days
Mortality rate	SLIC 2001 - 2005 with 1 year setback	SLIC 2001 - 2005 with 1 year setback

3.18 Management expenses

Management expenses have been allocated to various classes of business on equitable basis. Expenses not allocable to underwriting business are charged under other expenses.

3.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary share. 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.

3.20 Segment reporting

A business segment is a distinguishable component of the Company that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Accounting Regulations, 2017. The reported operating segments are also consistent with the internal reporting provided to Strategy Committee and Board of Directors which are responsible for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment. The Company has following business segments:

Fire insurance segment provides insurance cover against damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and impact.

Marine insurance segment provides coverage against cargo risk, war risk and damages occurring in inland transit.

Motor insurance provides comprehensive vehicle coverage and indemnity against third party loss.

Accident and health provides inpatient and outpatient medical coverage.

Miscellaneous insurance provides cover against burglary, loss of cash in safe and cash in transit, personal accident, money, engineering losses and other coverage.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Investment and income taxes are managed on an overall basis and are therefore, not allocated to any segment. Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets pertaining to two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

3.21 Foreign currency transactions

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are routed through profit and loss account.

3.22 Finance income

Finance income comprises interest income on funds invested, dividend income, exchange gain and changes in the fair value of financial assets at fair value through profit or loss - held for trading. Income on bank deposits is accrued on a time proportion basis using effective rate of interest. Income on investments is recognized on time proportion basis taking into account the effective yield of such securities. Dividend income on equity investments is recognized when the right to receive the payment is established. Foreign currency gains and losses are reported on a net basis.

3.23 Impairment of assets

a) Non-derivative financial assets

All financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers and economic conditions that correlate with defaults or the disappearance of an active market for a security.

The Company considers evidence of impairment for financial assets measured at amortized cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in as allowance against financial asset measured at amortized cost. Interest on the impaired asset is recognized only to the extent it is considered recoverable. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing,

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.24 Right of use assets and lease liability

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly lease properties for its operations and recognizes a right-of use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of the right-of-use asset or end of lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate of the Company. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Company has elected not to recognize right-of-use assets and lease liabilities for short term and low value assets. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term. The right-of-use assets are presented in the same line item as it presents underlying assets for the same nature it owns.

3.25 Dividend Distribution

Cash dividends declared, bonus shares issued and other reserves' appropriations are recognized in the year in which these announcements or appropriations are made.

3.26 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the requirements of accounting and reporting standards as applicable to insurance companies in Pakistan requires management to make judgments/estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These judgments/estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from their estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

In particular, the matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed below:

a) Income tax

In making the estimates for income taxes currently payable by the Company, the management takes into account current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Company's future taxable profits are taken into account.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

b) Fixed assets, depreciation and amortization

In making estimates of the depreciation / amortization method, the management uses depreciation / amortization rate which reflects the pattern in which economic benefits are expected to be consumed by the Company. These rates are reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the depreciation / amortization rates would be changed to reflect the change in pattern. Further, the assets' residual values are reviewed and adjusted if appropriate, at each financial year end.

c) Outstanding claims including incurred but not reported (IBNR)

The liability for IBNR is computed through Chain Ladder Method (Development technique) in light of the guidelines issued by Insurance Division of SECP vide its Circular 9 of 2016 dated March 09, 2016 for estimation of IBNR claims reserve, the liability for IBNR for all classes of business is based on actuary recommendation. Any significant change in assumption used event may affect the management's judgement which could affect the provision made for IBNR. Reinsurance recoveries against outstanding claims and salvage recoveries are recognized as an asset and are measured at the amount expected to be received.

d) Premium deficiency reserves

The Company carries out an analysis of loss / combined ratios for the expired year, such ratio being calculated after taking into account the relevant IBNR provision for the determination of premium deficiency reserve for each class of business.

e) Defined benefit plan

Defined benefit plan is provided to eligible employees of the Company. Calculations in this respect require assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration, the expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

f) Impairment

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Provisions for impairment are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

g) Provision against premium due but unpaid & amount due from other insurers/reinsurers

The Company reviews its premium due but unpaid and amounts due from other insurers / reinsurers portfolio to assess their recoverability and provision required there-against. While assessing this requirement, various factors including the delinquency and financial position of the counter party are considered.

h) Classification of investments

In classifying investments as "fair value through profit and loss" the Company has determined securities which are acquired with the intention to trade by taking advantage of short term market / interest rate movements.

In classifying investments as "held-to-maturity" the Company has determined financial assets with fixed or determinable payments and fixed maturity. In making this judgement, the Company evaluates its intention and ability to hold such investments to maturity.

The investments which are not classified as fair value through profit and loss or held to maturity are classified as available for sale.

i) Allocation of management expenses

Management expenses which are not specifically related to a class of business are allocated on all classes of business on equitable basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

j) **Provisions**

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

k) **Fair value of investments**

The fair value of held for trading and available for sale investments is determined by reference to their quoted closing repurchase price at the reporting date. Any change in the estimate might effect carrying amounts of investments held for trading with corresponding effect in profit and loss account. Fair value of held to maturity instruments is determined with reference to general interest rates prevailing in the market. Fair value of held to maturity investments is determined for disclosure purpose only.

l) **Lease term**

The Company applies judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liability and right of use assets recognized.

		2023	2022
		Rupees in thousand	
Note			
5	PROPERTY AND EQUIPMENT		
	Operating assets	324,278	395,144
		324,278	395,144

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

5.2 Operating assets

Note	Rupees in thousand														
	2023						2022								
	Cost		Depreciation		Written down value as at 31 December		Cost		Depreciation		Written down value as at 31 December				
As at 1 January	Additions / (Disposals)	As at 31 December	For the period	(Disposals) / Adjustments	As at 31 December	As at 1 January	For the period	(Disposals) / Adjustments	As at 31 December	As at 1 January	For the period	(Disposals) / Adjustments	As at 31 December	Useful life (years)	
5.1.1	146,412	-	146,412	3,660	-	14,648	3,660	-	18,308	128,104	40				
	27,572	2,616	30,188	3,099	(189)	19,413	3,099	(189)	22,323	7,865	5				
	61,391	2,572	63,963	7,861	(967)	48,757	7,861	(967)	55,651	8,312	3				
	23,448	1,908	25,356	2,225	628	18,505	2,225	628	21,358	3,998	5				
	215,021	(29,733)	185,288	38,486	(29,327)	90,038	38,486	(29,327)	99,197	86,091	5				
	189,863	(2,173)	187,690	29,105	(9,209)	93,207	29,105	(9,209)	113,103	74,587	2 to 20				
	95,347	8,841	104,188	7,079	(1,631)	84,265	7,079	(1,631)	89,713	14,475	3				
	37,462	-	37,462	4,078	-	32,538	4,078	-	36,616	846	3				
	796,516	(15,969)	780,547	95,593	(40,695)	401,371	95,593	(40,695)	456,269	324,278					
	Rupees in thousand														
	2022														
5.1.1	146,412	-	146,412	3,660	-	10,988	3,660	-	14,648	131,764	40				
	28,143	(572)	27,572	2,905	(6,154)	22,662	2,905	(6,154)	19,413	8,159	5				
	74,945	(13,554)	61,391	7,125	(24,989)	66,621	7,125	(24,989)	48,757	12,634	3				
	23,775	(327)	23,448	3,201	(610)	15,914	3,201	(610)	18,505	4,943	5				
	180,766	34,235	215,021	35,906	(22,131)	76,263	35,906	(22,131)	90,038	124,983	5				
	188,618	1,245	189,863	27,427	3,268	62,512	27,427	3,268	93,207	96,656	2 to 20				
	87,123	8,224	95,347	4,474	(1,114)	80,905	4,474	(1,114)	84,265	11,082	3				
	37,462	-	37,462	5,578	-	26,960	5,578	-	32,538	4,924	3				
	767,264	29,251	796,516	90,276	(51,730)	362,825	90,276	(51,730)	401,371	335,144					

5.1.1 This represents the carrying value of one office located at 8th Floor of Askari Tower, Lahore. The total area of the office is 5,460 square feet.

5.1.2 Cost of fully depreciated assets that are still in use as at December 31, 2023 is Rs. 118,635 thousand (2022: Rs. 186,538 thousand)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

5.1.3 Details of disposal of fixed assets during the year

Particulars of assets / buyers	Relationship	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain on sale				
							Rupees in thousand			
2023										
Vehicles sold to following in-service/ resigning employees as per Company's policy										
Muhammad Asghar	Buyer	502	502	-	1,325	1,325				
Ahsan Azeem	Buyer	571	571	-	1,480	1,480				
Mansoor Shoaib	Employee	1,582	1,582	-	-	-				
Rana Sarfraz	Employee	2,386	2,386	-	-	-				
Rashid Halim	Employee	1,755	1,755	-	-	-				
Mian Shahid Mahmood	Employee	2,688	2,688	-	-	-				
Muhammad Sharzad Malik	Employee	1,119	1,119	-	-	-				
Mubashir Ul Hasan	Employee	1,733	1,733	-	-	-				
Qaseemullah	Employee	1,652	1,652	-	-	-				
Zeeshan Sakeen	Employee	1,072	1,072	-	-	-				
Ghufan Ali Chaudry	Employee	1,072	1,072	-	-	-				
Rana Mujeeb Ur Rehman	Employee	1,703	1,703	-	-	-				
Tariq Mehmood	Employee	1,551	1,551	-	-	-				
Haroon Altamad	Employee	1,847	1,892	155	155	-				
Dr Saadat	Employee	2,527	1,895	632	678	46				
Faiheen Ratique	Employee	2,204	2,204	-	-	-				
Touqeer Ahmed	Employee	1,523	1,523	-	-	-				
Maqbool Ahmed	Employee	1,177	1,177	-	-	-				
Ifanullah Siddiqui	Employee	1,160	1,160	-	-	-				
Faisal Ishaq Qadri	Employee	1,360	1,360	-	-	-				
Aggregate value of other items with individual book value not exceeding Rs. 500,000/-										
Motor vehicles (Owned)	Negotiation	80	33	47	76	29				
Furniture and fixtures	Negotiation	253	159	94	94	0				
Computers and office equipment	Negotiation	1,471	999	472	608	136				
Right of use assets - Rental properties	Negotiation	3,589	3,589	-	-	-				
Tracking devices	Negotiation	2,930	1,632	1,298	1,297	-				
Total		39,507	36,809	2,698	5,713	3,016				
2022		58,980	58,849	131	2,291	2,160				
6 INTANGIBLE ASSETS										
		Rupees in thousand								
Computer software		15,779	-	15,779	5,998	3,462	-	9,460	6,319	2 to 10
Antivirus		760	1,095	1,855	549	272	-	821	1,034	3
2023		16,539	1,095	17,634	6,547	3,734	-	10,281	7,353	
Computer software		5,579	10,200	15,779	5,348	650	-	5,998	9,781	2 to 10
Antivirus		760	-	760	295	253	-	549	211	3
2022		6,339	10,200	16,539	5,643	903	-	6,547	9,992	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

7	INVESTMENT PROPERTY	2023	2022
	This represents the carrying amount of two offices in Islamabad Stock Exchange building, classified as investment property based on the management's intention to hold the property for earning rentals and / or capital appreciation.		
		Rupees in thousand	
	Cost		
	Balance at beginning of the year	52,400	52,400
	Balance at end of the year	52,400	52,400
	Depreciation		
	Balance at beginning of the year	(15,829)	(14,519)
	Depreciation for the year	(1,310)	(1,310)
	Balance at end of the year	(17,139)	(15,829)
		35,261	36,571
	Useful life (years)	40	40

7.1 The market value of the investment property as on 31 December 2023 is Rs. 136.24 million (2022: Rs. 117.9 million) as per valuation carried out by an independent valuer. Useful life of the investment property is estimated to be 40 years.

7.2 The amount of depreciation has been allocated to management expenses.

8	INVESTMENT IN SUBSIDIARY	Note	2023	2022			
			Rupees in thousand				
	AskTech (Private) Limited - At cost	8.1	10,000	10,000			
			Rupees in thousand				
8.1	Name	Country of Incorporation	Assets	Liabilities	Revenues	(Loss) / Profit	% interest held
	AskTech (Private) Limited	Pakistan	48,912	34,218	64,862	(4,164)	100
					2022		
	AskTech (Private) Limited	Pakistan	40,711	21,996	78,741	8,253	100

8.2 AskTech (Private) Limited is engaged in establishing, developing, expanding, enhancing, managing and operating information technology services, GPS/GSM based tracking and systems. The Company acquired 100% shareholding in AskTech (Private) Limited in February 2019. The Company holds 99.96% shares of AskTech (Private) Limited whereas the directors nominated by the Company on the Board of Directors of AskTech (Private) Limited hold qualification shares of 0.04%.

9	INVESTMENTS IN EQUITY SECURITIES	Note	2023	2022
			Rupees in thousand	
	Fair value through profit and loss	9.1	262,784	100,397
	Available-for-sale	9.2	470,061	241,591
	Total equity securities		732,845	341,988

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		Number of shares / units		2023		2022	
		2023	2022	Cost	Carrying value	Cost	Carrying value
		Rupees in thousand					
9.1	Fair value through profit and loss						
	Mutual funds						
	Related Party						
	Army Welfare Trust (AWT) financial sector fund	-	998,443	-	-	100,306	100,397
	Army Welfare Trust (AWT) Islamic Income fund	2,490,833	-	261,271	262,784	-	-
		2,490,833	998,443	261,271	262,784	100,306	100,397
		Rupees in thousand					
		2023			2022		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		Rupees in thousand					
9.2	Available-for-sale						
	Others						
	Listed shares	453,648	(36,648)	417,000	312,120	(34,972)	277,148
	Unrealized (deficit)/surplus on revaluation	-	-	53,061	-	-	(35,557)
		453,648	(36,648)	470,061	312,120	(34,972)	241,591

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023			2022		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	Rupees in thousand					
Listed shares						
Artistic Denim Mills Limited	1,689	-	1,689	-	-	-
Askari Bank Limited	-	-	-	3,993	-	3,993
Attock Refinery Limited	24,976	-	24,976	-	-	-
Biafo Industries Limited	1,149	-	1,149	-	-	-
D.G. Khan Cement Company Limited	1,328	-	1,328	-	-	-
Fauji Cement Company Limited	14,608	-	14,608	1,571	-	1,571
Faysal Bank Limited	5,333	-	5,333	676	-	676
Ghani Global Holdings Ltd. Consolidated	19,142	-	19,142	-	-	-
GlaxoSmithKline Pakistan Limited	1,178	(575)	603	1,178	(476)	702
Habib Bank Limited	35,874	(15,481)	20,393	35,874	(15,481)	20,393
Honda Atlas Cars (Pakistan) Limited	7,662	(4,614)	3,048	7,662	(2,176)	5,486
Indus Motor Company Limited	5,013	-	5,013	-	-	-
Interloop Limited	4,703	-	4,703	-	-	-
International Industries Limited	25,057	-	25,057	3,314	-	3,314
International Steels Limited	2,337	-	2,337	3,768	-	3,768
Lucky Cement	-	-	-	9,429	-	9,429
MCB Bank Limited	125,894	-	125,894	129,021	-	129,021
Millat Tractors Limited	23,163	-	23,163	-	-	-
Netsol Technologies Limited	29,008	-	29,008	-	-	-
National Refinery Limited	-	-	-	3,210	-	3,210
Nishat Mills Limited	-	-	-	2,796	-	2,796
Oil & Gas Development Company	17,176	-	17,176	24,313	-	24,313
Pak Suzuki Motor Company Limited	-	-	-	18,036	(6,083)	11,953
Pakistan Oilfields Limited	6,445	-	6,445	-	-	-
Pakistan Petroleum Limited	-	-	-	19,850	-	19,850
Pakistan State Oil Company Limited	30,006	(14,243)	15,763	30,006	(9,560)	20,446
SAZEW Engineering Works Limited	25,986	-	25,986	-	-	-
Sui Northern Gas Pipeline Limited	-	-	-	6,484	-	6,484
System Limited	11,236	-	11,236	-	-	-
The Hub Power Company Limited	7,373	-	7,373	-	-	-
The Searl Company Limited	2,741	(1,735)	1,006	2,741	(1,196)	1,545
Treet Corporation Limited	698	-	698	-	-	-
United Bank Limited	23,873	-	23,873	8,198	-	8,198
	453,648	(36,648)	417,000	312,120	(34,972)	277,148
Unrealized surplus / (deficit) on revaluation			53,061			(35,557)
			470,061			241,591

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10 INVESTMENTS IN DEBT SECURITIES		2023			2022		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Note		Rupees in thousand					
HELD TO MATURITY							
Government Securities							
Pakistan Investment Bonds	10.1	1,749,454	-	1,749,454	2,172,187	-	2,172,187
Treasury Bills	10.2.2	-	-	-	342,340	-	342,340
Ijarah Sukuks	10.3	1,024,614	-	1,024,614	-	-	-
		2,774,068	-	2,774,068	2,514,527	-	2,514,527
AVAILABLE-FOR-SALE							
Term Finance Certificates	10.4	160,000	-	160,000	160,000	-	160,000
Sukuks	10.5	50,025	-	50,025	75,025	-	75,025
Unrealized surplus on revaluation		-	-	-	-	-	293
		210,025	-	210,025	235,025	-	235,318
LOANS AND RECEIVABLES							
Certificates of Investments		11,128	(11,128)	-	11,128	(11,128)	-
		2,995,221	(11,128)	2,984,093	2,760,680	(11,128)	2,749,845
10.1 Pakistan Investment Bonds							
Face Value	Profit Rate %	Profit Payment	Type of Security	Maturity Date	2023	2022	
Rupees					Rupees in thousand		
50,000,000	8.75%	On Maturity	Pakistan Investment Bonds	12-Jul-28	42,164	40,973	
37,500,000	8.75%	On Maturity	Pakistan Investment Bonds	12-Jul-28	31,656	30,767	
25,000,000	9.50%	On Maturity	Pakistan Investment Bonds	19-Sep-24	24,529	23,927	
25,000,000	8.00%	On Maturity	Pakistan Investment Bonds	10-Dec-30	22,570	22,336	
50,000,000	9.50%	On Maturity	Pakistan Investment Bonds	19-Sep-24	50,037	50,071	
150,000,000	9.50%	On Maturity	Pakistan Investment Bonds	19-Sep-24	149,927	149,789	
200,000,000	7.00%	On Maturity	Pakistan Investment Bonds	20-Aug-23	-	197,429	
120,000,000	7.50%	On Maturity	Pakistan Investment Bonds	15-Oct-25	115,623	113,481	
50,000,000	8.00%	On Maturity	Pakistan Investment Bonds	10-Dec-30	44,705	44,199	
200,000,000	7.00%	On Maturity	Pakistan Investment Bonds	20-Aug-23	-	198,148	
350,000,000	7.50%	On Maturity	Pakistan Investment Bonds	15-Oct-25	341,028	336,597	
175,000,000	7.50%	On Maturity	Pakistan Investment Bonds	15-Oct-25	170,459	168,217	
200,000,000	8.00%	On Maturity	Pakistan Investment Bonds	10-Dec-30	183,024	181,368	
100,000,000	8.00%	On Maturity	Pakistan Investment Bonds	10-Dec-30	91,421	90,584	
70,000,000	7.00%	On Maturity	Pakistan Investment Bonds	20-Aug-23	25,000	69,379	
140,000,000	7.50%	On Maturity	Pakistan Investment Bonds	15-Oct-25	136,262	134,418	
60,000,000	8.00%	On Maturity	Pakistan Investment Bonds	10-Dec-30	54,544	54,015	
240,000,000	9.50%	On Maturity	Pakistan Investment Bonds	19-Sep-24	240,795	241,755	
30,000,000	7.50%	On Maturity	Pakistan Investment Bonds	29-Apr-27	25,710	24,734	
					1,749,454	2,172,187	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10.1.1 These carry interest at effective rate of 9.06% to 13.49% per annum (2022: 8.49% to 13.49% per annum) and will mature by 10 December 2030 (2022: 10 December 2030). Market value of PIBs carried at amortised cost amounts to Rs. 1,605.23 million (2022: Rs.2,276.06 million).

10.2.1 Pakistan investment bonds are placed as statutory deposit with State Bank of Pakistan in accordance with the requirements of clause (a) of sub section 2 of section 29 of Insurance Ordinance, 2000.

10.2.2 Treasury Bills

Face Value	Profit Rate %	Profit Payment	Type of Security	Maturity Date	2023	2022
Rupees					Rupees in thousand	
75,000,000	15.67%	Maturity	Treasury Bills	12-Jan-23	-	72,389
175,000,000	15.70%	Maturity	Treasury Bills	26-Jan-23	-	168,898
105,000,000	16.97%	Maturity	Treasury Bills	9-Mar-23	-	101,053
					-	342,340

10.3 Ijara Sukuk

Face Value	Profit Rate %	Profit Payment	Type of Security	Maturity Date	2023	2022
Rupees					Rupees in thousand	
100,000,000	23.60%	Maturity	Ijara Sukuk	17-Apr-24	100,003	-
250,000,000	22.56%	Maturity	Ijara Sukuk	26-Jun-24	250,017	-
125,000,000	22.79%	Maturity	Ijara Sukuk	20-Sep-24	125,000	-
250,000,000	22.79%	Maturity	Ijara Sukuk	20-Sep-24	250,003	-
75,000,000	22.87%	Maturity	Ijara Sukuk	26-Jun-28	74,789	-
150,000,000	22.87%	Maturity	Ijara Sukuk	26-Jun-28	149,638	-
75,000,000	22.87%	Maturity	Ijara Sukuk	26-Jun-28	75,164	-
					1,024,614	-

10.3.1 These carry interest at effective rate of 22.62% to 23.00% per annum (2022: nil) and will mature by 26 June 2028 (2022: nil). Market value of Ijara Sukuk carried at amortised cost amounts to Rs. 1,172.56 million (2022: Rs.nil).

10.4 Term Finance Certificates

Number of certificates		Credit rating	Mark up Rate	Investee name	Value of Certificates	
2023	2022				2023	2022
					Rupees in thousand	
15,000	15,000	AA	6-M KIBOR Plus 150 bps	Bank Al Habib	75,000	75,000
15,000	15,000	AA	6-M KIBOR Plus 150 bps	Bank Alfalah	75,000	75,000
2,000	2,000	A	6-M KIBOR Plus 200 bps	Soneri Bank	10,000	10,000
					160,000	160,000

10.4.1 The term finance certificates have a maturity of ten years and are maturing on 05 January 2028 to 20 December 2028 (2022: 05 January 2028 to 20 December 2028)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10.5 Sukuks

Number of certificates		Mark up Rate	Investee name	Value of Certificates	
2023	2022			2023	2022
Rupees in thousand					
50	50	Based on Monthly Shariah Pool	Meezan Bank Limited	50,025	50,025
-	500	3-M KIBOR Plus 190 bps	The Hub Power Company Limited	-	25,000
Cost of certificates				50,025	75,025
Unrealized surplus / (deficit) on revaluation				-	293
Carrying value				50,025	75,318

		Note	2023	2022
			Rupees in thousand	
11	LOANS AND OTHER RECEIVABLES			
	Sundry receivables	11.1	187,617	137,573
	Advances to employees	11.2	356	342
	Staff house building finance	11.3	3,096	3,129
	Accrued investment income		68,687	56,393
			259,756	197,437
11.1	Sundry receivables			
	Security deposits		17,618	16,333
	Advances to suppliers - unsecured, considered good		2,997	3,373
	Receivable against sale of laptops		1,940	5,060
	Receivable against sale of vehicles		611	611
	Receivable from subsidiary	11.4	13,418	5,003
	Deposit against vehicles Ijarah		24,425	28,220
	Health Claim recoverable		21,689	21,557
	Earnest money		91,841	49,028
	Other receivables - unsecured, considered good		17,616	8,388
			192,155	137,573
	Less: Provision for impairment against health claims recoverable		(4,538)	-
			187,617	137,573

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

- 11.2** These represent short term interest free advances given in accordance with terms of employment. These are secured and considered good. The maximum amount due from executives at the end of any month during the year was Rs. Nil (2022: Rs. Nil) and outstanding balance at 31 December 2023 is Rs. Nil (2022: Rs. Nil).
- 11.3** These represent housebuilding finance loans given to employees in accordance with terms of employment. Interest is charged at the rate of 6 months KIBOR. These are secured and considered good.

	2023	2022
	Rupees in thousand	
11.4 Receivable from subsidiary:		
Balance at beginning of the year	5,003	599
Services acquired	(29,779)	(74,537)
Paid during the year	38,194	78,941
Balance at end of the year	13,418	5,003

		2023	2022
	Note	Rupees in thousand	
12 INSURANCE / REINSURANCE RECEIVABLES			
Due from insurance contract holders	12.1	1,413,449	1,336,412
Less: provision for impairment of receivables from insurance contract holders	12.2	(15,640)	(9,965)
		1,397,809	1,326,447
Due from other insurers / reinsurers	12.4	72,237	149,051
Less: provision for impairment of receivables from other insurers / reinsurers	12.5	(5,588)	(619)
		66,649	148,432
		1,464,458	1,474,879

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12.1 Due from insurance contract holders

This includes premium amounting to Rs.3,282 thousand (2022: Rs. 2,712 thousand) and Rs.114,187 thousand (2022: Rs. 81,627 thousand) receivable from the Parent and associated undertakings respectively, the movement of which is as follows:

	2023	2022
	Rupees in thousand	
Receivable from parent:		
Balance at beginning of the year	2,712	2,611
Insurance premium written (including government levies, administrative surcharge and policies stamps)	12,209	10,619
Premium received during the year	(11,639)	(10,518)
Balance at end of the year	3,282	2,712
Receivable from associated undertakings:		
Balance at beginning of the year	81,627	78,077
Insurance premium written (including government levies, administrative surcharge and policies stamps)	217,484	147,782
Premium received during the year	(184,924)	(144,232)
Balance at end of the year	114,187	81,627
12.2 Provision for doubtful balances		
Balance at beginning of the year	9,965	10,174
Provision made / (reversed) during the year	5,675	(209)
Balance at end of the year	15,640	9,965

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	Rupees in thousand	
12.3	Age analysis of amounts receivable from related parties:	
	Receivable from parent:	
Up to 1 year	3,021	2,457
1 to 2 years	261	228
2 to 3 years	-	27
	3,282	2,712
	Receivable from associated undertakings:	
Up to 1 year	111,019	79,314
1 to 2 years	3,036	1,463
2 to 3 years	133	850
	114,188	81,627
12.4	Due from other insurers / reinsurers	
Considered good	66,649	148,432
Considered doubtful	5,588	619
	72,237	149,051
Provision for doubtful balances	(5,588)	(619)
	66,649	148,432
12.5	Provision for doubtful balances	
Balance at beginning of the year	619	5,392
Provision made during the year	4,969	(4,773)
Balance at end of the year	5,588	619

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13 RETIREMENT BENEFIT OBLIGATIONS

The company operates an approved gratuity scheme for all employees. The eligible employees under the scheme are 335 (2022 : 327). The latest actuarial valuation of gratuity scheme was carried out as at 31 December 2023 under the Projected Unit Credit Method as per the requirements of approved accounting standard - International Accounting Standard 19, the details of which are as follows:

		2023	2022
	Note	Rupees in thousand	
13.1	Amount recognized in the balance sheet		
	Present value of defined benefit obligation	251,385	212,020
	Benefits due but not paid during the year	2,074	4,012
		253,459	216,032
	Fair value of plan assets	(244,421)	(185,357)
	Net liability at end of the year	9,038	30,675
13.2	Movement in liability recognized in balance sheet		
	Balance at beginning of the year	30,675	40,109
	Expense for the year	18,089	19,113
	Actuarial (gain) / loss recognized in other comprehensive income	(9,843)	(3,015)
		38,921	56,207
	Contributions to the fund during the year	(29,883)	(25,532)
	Balance at end of the year	9,038	30,675
13.3	Reconciliation of the present value of defined benefits obligation		
	Present value of obligations as at beginning of the year	212,020	178,024
	Current service cost	16,389	16,378
	Interest cost	30,045	20,597
	Benefits paid	(6,924)	(2,972)
	Benefits due but not paid	(771)	(2,507)
	Actuarial (gain) / loss	626	2,500
	Present value of obligations as at end of the year	251,385	212,020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
13.4	Movement in the fair value of plan assets	Rupees in thousand	
	Fair value of plan assets as at beginning of the year	185,357	141,982
	Interest income on plan assets	28,345	17,861
	Contribution to the fund	29,883	25,532
	Benefits paid	(9,633)	(5,533)
	Actuarial gain / (loss)	10,469	5,515
	Fair value of plan assets as at end of the year	244,421	185,357

13.5	Expense for the year		
	Current service cost	16,389	16,378
	Interest cost	30,045	20,596
	Interest income on plan assets	(28,345)	(17,861)
	Expense for the year	18,089	19,113

13.6 The estimated charge to profit & loss account for the defined benefit plan for the year ending December 31, 2024 is Rs. 23,407 thousand and expected contribution for the year ending 31, 2024 is Rs 12,163 thousands.

	2023		2022	
	Fair value	Percentage	Fair value	Percentage
	Rupees in thousand	%	Rupees in thousand	%
Debt instruments	151,804	62%	22,442	12%
Cash and bank balances	21,668	9%	639	0%
Mutual funds	70,949	29%	162,277	88%
Fair value of plan assets	244,421	100%	185,358	100%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13.8 Comparison of present value of defined obligation, fair value of plan assets and surplus / (deficit) of gratuity fund for the last four years:

	2023	2022	2021	2020	2019
Rupees in thousand					
Present value of defined benefit obligation	251,385	212,020	178,024	142,393	124,970
Fair value of plan assets	(244,421)	(185,357)	(141,982)	(108,435)	(89,814)
Deficit	6,964	26,663	36,042	33,958	35,156
Effect of remeasurement:					
- Actuarial (gain) / loss on experience adjustment on obligation	626	2,500	14,483	1,488	(2,409)
- Actuarial (loss) / gain on plan assets	10,469	5,515	(3,528)	(2,046)	(9,262)

13.9 Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumption used. The following table summarizes the impact on the defined benefit obligation at the end of the reporting period as a result of a change in the respective assumptions by one percent.

	Increase / decrease in defined benefit obligation			
	2023		2022	
	Rupees in thousand			
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	233,387	272,623	195,693	230,689
Future salary growth	272,652	232,964	230,719	195,374

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

13.10 Significant Actuarial Assumption

The following significant assumptions have been used for valuation of this scheme:

	2023	2022
	per annum	
a) Expected rate of increase in salary level	15.50%	14.50%
b) Discount rate	15.50%	14.50%

13.11 Risks

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk, final salary risk, asset volatility, withdrawal and market (investment) risk.

14 STAFF COMPENSATED ABSENCES

The company provides leave encashment plan to all employees. The eligible employees under the scheme are 335 (2022 : 327). The latest actuarial valuation of leave encashment was carried out as at December 31, 2023 under the Projected Unit Credit Method as per the requirements of approved accounting standard - International Accounting Standard 19, the details of which are as follows:

	2023	2022
Note	Rupees in thousand	
14.1	50,871	44,185

14.1 Movement in liability

Balance at beginning of the year		44,185	38,633
Charge for the year	14.1.1	9,176	7,526
Benefits paid		(2,490)	(1,974)
Balance at end of the year		50,871	44,185

14.1.1 Charge for the year

Current service cost		3,311	3,150
Interest cost		6,226	4,423
Actuarial loss / (gain) on experience adjustment		(361)	(47)
		9,176	7,526

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
15 DEFERRED TAXATION	Rupees in thousand	
Deferred tax asset in respect of:		
On deductible temporary differences		
- Provision for impairment in loans and receivables investments	4,340	3,673
- Effect of remeasurement of staff retirement benefit plans	1,414	5,253
- Unrealized losses on AFS investments	-	11,637
- Provision against premium due but unpaid	6,100	3,288
- Provision against amounts due from other insurers / reinsurers	2,179	204
- Provision for diminution in value of AFS investments	14,293	11,540
- Provision against health claims excess receivable	1,770	-
On taxable temporary differences		
- Unrealized gains on AFS investments	(20,694)	-
- Right of use assets net of lease liability	(1,030)	-
	8,372	35,595
15.1 Movement in deferred tax balances is as follows:		
As at January 01	35,595	21,945
Recognized in profit & loss account:		
- Provision for impairment in loans and receivables investments	667	446
- Provision against premium due but unpaid	2,812	338
- Provision against amounts due from other insurers / reinsurers	1,975	(1,359)
- Provision for diminution in value of AFS investments	2,753	11,540
- Provision against health claims excess receivable	1,770	-
- Right of use assets net of lease liability	(1,030)	-
	8,947	10,965
Recognized in OCI:		
- Effect of remeasurement of staff retirement benefit plans	(3,839)	(996)
- Unrealized (gains) / losses on AFS investments	(32,331)	3,681
	(36,170)	2,685
	8,372	35,595

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
		Rupees in thousand	
16	PREPAYMENTS		
	Prepaid reinsurance premium ceded	645,855	665,084
	Prepaid rent	3,725	2,624
	Others	4,010	4,169
		653,590	671,877
17	CASH AND BANK		
	Cash & cash equivalents:		
	Cash in hand	1,582	1,561
	Policy & Revenue stamps, Bond papers	1,388	762
		2,970	2,323
	Cash at bank:		
	Current accounts	33,108	24,146
	Deposit accounts - local currency	17.1	278,921
		312,029	289,287

17.1 These carry an annual effective markup rate ranging from 7% to 20.5% (2022 : 3.7% to 14.5%).

17.2 During the year, the Company has obtained running finance facility of Rs. 300,000 thousand from Bank Al Habib Limited at 3 months average KIBOR + 0.4%, prevailing on the date of disbursement. Tenor of the facility is one year. 110% lein is marked over market value of Pakistan Investment Bonds as security procured through Bank Al Habib's account maintained at Pak Oman Investment Bank. the facility is not utilized as at year end.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

18	SHARE CAPITAL		2023	2022
18.1	Authorized Capital		Rupees in thousand	
	100,000,000	Ordinary shares of Rs. 10 each	1,000,000	1,000,000
18.2	Issued, subscribed and paid-up share capital			
			2023	2022
	Number of shares		Rupees in thousand	
		Ordinary shares of Rs. 10 each issued as:		
	24,358,699	24,358,699 - fully paid cash shares	243,587	243,587
	47,543,196	47,543,196 - fully paid bonus shares	475,432	475,432
	71,901,895	71,901,895	719,019	719,019
18.3	Army Welfare Trust (AWT) and directors hold 42,589,729 (2022: 42,600,734) and 533,030 (2022: 545,939) ordinary shares of the Company respectively at the year end.			
			2023	2022
		Note	Rupees in thousand	
19	RESERVES			
	Capital reserve			
	Share premium		121,161	121,161
	Revenue reserves			
	General reserves		70,000	70,000
	AFS Revaluation reserve		32,652	(23,923)
			102,652	46,077
			223,813	167,238
20	LEASE LIABILITIES			
	Lease liability - rental properties		92,845	112,202
	Lease liabilities - vehicles	20.1	65,193	87,552
			158,038	199,754

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

20.1 Liabilities against assets - secured

	2023			2022		
	Minimum lease payments	Financial charges for future periods	Present value of minimum lease payments	Minimum lease payments	Financial charges for future periods	Present value of minimum lease payments
Rupees in thousand						
Not later than one year	76,506	21,526	54,980	80,398	23,824	56,785
Later than one year and not later than five years	93,969	27,304	66,665	141,624	30,832	110,792
Later than five years	56,953	20,560	36,393	52,688	20,510	32,177
	227,428	69,390	158,038	274,710	75,166	199,754

20.2 Interest rate used in calculation of lease liability is 6-months KIBOR + 0.7% for vehicles and 1-year KIBOR + 1% for rental properties.

	Note	2023	2022
		Rupees in thousand	
21	INSURANCE / REINSURANCE PAYABLES		
	Amount due to other insurers	712,051	604,421
	Amount due to foreign reinsurers	177,478	429,688
		889,529	1,034,109
22	OTHER CREDITORS AND ACCRUALS		
	Agents' commission payable	104,427	78,762
	Tax deducted at source	8,672	5,148
	Federal excise duty / federal insurance fee	45,378	75,903
	Accrued expenses	35,425	11,014
	Fund received against leased vehicle	22.1	16,080
	Fund received against vehicle ljarah	22.1	10,869
	Unearned rental income	6,646	2,376
	Others	41,232	45,610
		268,729	254,946
22.1	Funds received from executives		
	Fund received against leased vehicle	7,870	9,589
	Fund received against vehicle ljarah	6,086	5,472
		13,956	15,061

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

- 23.1.1 The Assistant Commissioner Inland Revenue Unit VII, Range III, Zone II Large Taxpayer Unit, Islamabad framed an order under section 161/205 of the Ordinance raising an income tax demand of Rs. 4.25 million for alleged non-withholding of income tax on payments made in relation to various account heads for the Tax Year 2015. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [the CIR(A)] against the impugned order. The CIR(A) confirmed the demand raised through the order. Being aggrieved with the order of the CIR(A), the Company filed second appeal before the Appellate Tribunal Inland Revenue [the Tribunal], which is subjudice till date. Based on the facts of the case the Company is hopeful that appeal will be decided in its favour.
- 23.1.2 Income tax assessments for Assessment Years 1996-1997 to 1999-2000 were finalized by the tax authorities mainly by curtailing management expenses and thereby raising income tax demand aggregating to Rs. 6.6 million. On appeals filed by the Company, these assessments were set aside by the Tribunal. The Company has filed reference applications to the High Court on question of admissibility of management expenses for the Assessment Years 1996-1997 to 1999-2000. The management of the Company firmly believes that the matter will be decided in their favour.
- 23.1.3 The Commissioner Inland Revenue Zone II, Large Taxpayer Unit, Islamabad selected case of the Company for Audit for the Tax Year 2015 under section 177 of the Ordinance and required the Company to furnish records/documents for the relevant period. The Company filed a constitutional writ petition to challenge the selection process for Audit before the Islamabad High Court [IHC] on 19 January 2018 which petition was dismissed on 02 February 2023 by the IHC. As a result of which the IR authority has resumed the Audit proceedings. The Company has filed a reply for partial compliance and is in the process of compiling the requisite information and has requested for extension in time to comply with the Notice.
- 23.1.4 Taxation officer of Sindh Revenue Board [SRB] framed the Order-in-Original No. 285 of 2022 dated 11 February 2022 raising a demand of Rs. 288.13 million on account of non-payment of Sindh Sales Tax [SST] on reinsurance premiums and commission from reinsurer for the period January 2014 to December 2015. The Company has filed an appeal before the Commissioner (Appeals), SRB which is subjudice till to date.
- 23.1.5 Taxation officer of SRB issued show cause notice No. 81802 dated 28 January 2022 thereby confronting the Company on alleged short declaration of insurance premiums and short payment of SST thereon. The Company had obtained stay from the Sindh High Court against the proceedings initiated through the show cause notice.
- 23.1.6 Taxation officer of SRB raised observation on account of claiming inadmissible input tax adjustment of Rs. 1,699,449 and short payment of withheld SST amounting to Rs. 503,906 on services received by the Company during the tax periods January 2020 to December 2021. The Company has filed a comprehensive reply against the notice. There is no further progress on the matter till date.
- 23.1.7 Additional Commissioner of Punjab Revenue Authority [PRA] raised observation on claim of inadmissible input tax adjustment of Rs. 12,813,614 during the tax periods July 2014 to October 2022. The Company explained its position through our letter dated 29 May 2023 to the Officer, however there is no further progress on the matter.
- 23.1.8 The Deputy Commissioner Inland Revenue, Audit Unit-V, Large Taxpayer's Unit, Islamabad issued an Order-in-Original No. 04/2020 dated 31 December 2020 raising a demand of Rs. 1.39 million on account of inadmissible claim of input tax credit and short payment of Federal Excise Duty for the tax period 2017. The Company preferred an appeal before the CIR(A) who deleted the tax demand to the extent of Rs. 9,277 and upheld the remaining tax demand through Order-in-Appeal No. 06 dated 12 July 2021. Being aggrieved with the appellate Order of the CIR(A), the Company has filed an appeal before the Tribunal which is pending disposal till date. The Company has deposited total of 15% of the impugned tax demand to avail stay against the recovery of the impugned tax demand.
- 23.1.9 The Company filed writ petition before the Honorable Lahore High Court [LHC]. The LHC, through its Order No. W.P.No.75277/2022 dated 02 January 2023, allowed the Company to file the return of total income for the Tax Year 2022 by excluding Super Tax liability worked out under section 4C of the Ordinance subject to deposit of post-dated cheque equivalent to the Super Tax liability for the year. The writ petition is pending decision before the LHC till to date.
- 23.1.10 The Company filed writ petition before the Islamabad High Court [IHC] to challenge retrospective application of enhanced rate of Super Tax from 4% to 10% in light of the amendments brought in through the Finance Act 2023. The IHC through writ petition Order 3504/2023 dated 06 November 2023 has granted interim stay against the recovery of Super Tax in excess of the tax rate as laid down before the aforesaid amendment. In light of the decision of the IHC, the Company has filed its return of total income for the Tax Year 2023 by discharging its Super Tax liability at the rate of 4% of its income. The writ petition is pending decision before the IHC till to date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Others

23.1.11 Certain claims have been filed against the Company. The management, based on the opinion of its legal counsels, believes that the above mentioned matters are most likely to be decided in favour of the Company at superior appellate forums and no charge is required to be recognised and carried in the financial statements. Management on the basis of nature and facts of the claims believes that expected outcome of these cases will be favorable and adverse financial impact, if any, on these financial statements is not likely to be material.

23.2 Commitments

23.2.1 The Company's commitment under Ijarah arrangement with Meezan Bank Limited is Rs. 77.29 million (2022: Rs 67.04 million). The contracts have a term of five years.

	2023	2022
	Rupees in thousand	
Future Minimum Ijarah (lease) payments are as under:		
Not later than one year	23,381	16,861
Later than one year and not later than five years	53,914	50,186
	77,295	67,047
Ijarah payments recognized in expense during the year	29,364	16,506

23.2.2 The Company's commitment under rental agreements with lease term of less than 1 year are:

Not later than one year	3,725	2,624
Rental payments recognized in expense during the year	14,781	10,544

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	Rupees in thousand	
24	NET INSURANCE PREMIUM	
Written gross premium	4,907,753	4,042,262
Add: Unearned premium reserve opening	1,823,622	1,719,511
Less: Unearned premium reserve closing	(2,062,367)	(1,823,622)
Premium earned	4,669,008	3,938,151
Less: Reinsurance premium ceded	1,798,570	1,616,229
Add: Prepaid reinsurance premium opening	665,084	559,058
Less: Prepaid reinsurance premium closing	(645,855)	(665,084)
Reinsurance expense	1,817,799	1,510,203
	2,851,209	2,427,948
25	NET INSURANCE CLAIMS	
Claims paid	2,476,418	1,889,692
Add: Outstanding claims including IBNR closing	1,450,640	763,291
Less: Outstanding claims including IBNR opening	(763,291)	(639,160)
Claims expense	3,163,767	2,013,823
Less: Reinsurance and other recoveries received	791,501	400,386
Add: Reinsurance and other recoveries in respect of outstanding claims closing	888,923	310,712
Less: Reinsurance and other recoveries in respect of outstanding claims opening	(310,712)	(245,465)
Reinsurance and other recoveries revenue	1,369,712	465,633
	1,794,055	1,548,190

25.1 Claim Development

The Company maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before reinsurance.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Accident Year	2018 & prior	2019	2020	2021	2022	2023	Total
Rupees in thousand							
At the end of accident year	27,454	25,764	29,786	1,735,753	2,058,520	2,880,739	
One year later	32,402	29,863	688,815	549,750	1,059,883	-	
Two years later	53,890	55,773	40,409	54,701	-	-	
Three years later	45,198	39,460	6,217	-	-	-	
Four years later	24,639	8,495	-	-	-	-	
Five year later	14,330	-	-	-	-	-	
Current estimate of cumulative claims	14,330	8,495	6,217	54,701	1,059,883	2,880,739	4,024,365
Less: Cumulative payments to date	(1,442)	(1,770)	2,202	25,738	906,067	1,642,930	2,573,725
Liability recognized in statement of financial position	15,772	10,265	4,015	28,963	153,816	1,237,809	1,450,640

25.2 The provision for IBNR on the basis of actuarial valuation carried out as at December 31, 2023 amounted to Rs. 326,517 thousands (2022: Rs 304,102 thousands).

	2023	2022
26 NET COMMISSION AND OTHER ACQUISITION COSTS	Rupees in thousand	
Commission paid or payable	394,563	264,794
Add: Deferred commission expense opening	108,258	102,363
Less: Deferred commission expense closing	(154,757)	(108,258)
Net commission	348,064	258,899
Less: Commission received or recoverable	378,728	337,403
Add: Unearned reinsurance commission opening	113,761	97,068
Less: Unearned reinsurance commission closing	(122,020)	(113,761)
Commission from reinsurers	370,469	320,710
	(22,405)	(61,811)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

			2023	2022
27	MANAGEMENT EXPENSES	Note	Rupees in thousand	
	Employees benefit cost	27.1	609,930	522,761
	Rent		11,373	10,544
	Communication		7,291	8,341
	Tracker devices		4,765	5,455
	Monitoring of trackers		26,230	27,770
	Printing and stationery		19,842	11,653
	Traveling and entertainment		9,459	6,766
	Depreciation and amortization		100,635	92,491
	Repair and maintenance		12,491	13,440
	Utilities		24,740	21,579
	Advertisement		1,783	1,352
	Legal and professional charges		8,488	8,673
	Bank charges		2,212	1,813
	Provision against premium due but unpaid		10,645	(4,982)
	Provision against health claims excess receivable		4,538	-
	Vehicle ljarah rentals		29,364	16,506
	Miscellaneous		22,540	10,969
			906,326	755,131
27.1	Employees benefit cost			
	Salaries, allowance and other benefits		570,420	485,328
	Charges for post employment benefits	27.2	39,510	37,433
			609,930	522,761

27.2 This includes charges for defined benefit plans, staff compensated absences and defined contribution plans amounting to Rs. 19.43 million (2022: Rs. 19.11 million), Rs. 7.89 million (2022: Rs. 7.52 million) and Rs. 16.19 million (2022: Rs. 14.51 million) respectively.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
28	INVESTMENT INCOME	Rupees in thousand	
	Note		
	Dividend income on investments		
	Dividend income on securities held for trading	39,754	528
	Dividend income on available for sale investments	29,109	18,722
		68,863	19,250
	Income from debt securities		
	Return on government securities	284,171	246,415
	Return on other fixed income securities	47,949	36,985
		332,120	283,400
	Net realised gains on investments		
	Gain on trading of held for trading investments	30,008	1,521
	(Loss) / Gain on sale of available-for-sale investments	19,059	(1,184)
		49,067	337
	Unrealized profit on re-measurement of investments held for trading	1,513	91
	Provision for diminution in available-for-sale investments	(1,678)	(34,970)
	Reversal for diminution in value of Certificate of Investments	-	-
	Investment related expenses	(30)	(148)
	Total investment income	449,855	267,960
29	RENTAL INCOME		
	Rental income	6,528	6,013
	Less : expenses of investment property	(56)	(22)
		6,472	5,991
30	OTHER INCOME		
	Profit on bank deposits	57,265	25,661
	Gain on sale of fixed assets	3,016	2,160
	Mark-up on staff house building finance	646	477
	Funds amortized against leased vehicles	10,429	7,692
	Others	735	17,049
		72,091	53,039

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
31	OTHER EXPENSES		
		Rupees in thousand	
	Subscription	8,092	7,026
	Auditors' remuneration	2,330	2,135
		10,422	9,161
31.1	Auditors' remuneration		
	Audit fee	1,150	1,135
	Half yearly review	450	450
	Special purpose review	275	250
	Code of Corporate Governance	125	100
	Other certifications	300	200
		2,330	2,135
32	FINANCE COSTS		
	Interest on lease liabilities	23,304	24,964
	Interest on running finance	3	641
		23,307	25,605
33	WINDOW TAKAFUL OPERATIONS - OPF		
	Wakala fee	222,394	170,125
	Management expenses	(107,321)	(94,636)
	Commission expenses	(68,750)	(49,248)
	Modarib's share of PTF investment income	15,823	9,797
	Investment income	35,787	19,784
	Other income - net	6,571	5,547
	Profit from Window Takaful Operations - OPF	104,504	61,369
34	INCOME TAX EXPENSE		
	For the year		
	- Current	316,453	204,405
	- Prior year	32,402	-
	Deferred	(8,947)	(10,964)
		339,908	193,441

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

34.1	Relationship between tax expense and accounting profit	2023	2022	2023	2022
		Effective tax rate - %		Rupees in thousand	
	Profit for the year before taxation			772,426	540,031
	Tax at the applicable rate	39.00%	33.00%	301,246	156,609
	Effect of items that are not considered in determining taxable income - net	0.81%	3.48%	6,260	18,788
	Effect of prior year adjustment	4.19%	3.34%	32,402	18,044
		44.00%	35.82%	339,908	193,441
34.2	Taxation charged to other comprehensive income				
	Deferred tax income / (expense)			(36,170)	2,686
35	EARNINGS PER SHARE			2023	2022
				Rupees in thousand	
	Profit after tax (Rupees in thousand)			432,518	346,590
	Weighted average number of shares			71,902	71,902
	Earnings (after tax) per share - (Rupees)			6.02	4.82

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

36 COMPENSATION OF DIRECTORS AND EXECUTIVES

36.1 The aggregate amounts charged in these unconsolidated financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees in thousand					
Fees	-	1,690	-	-	1,560	-
Managerial remuneration	21,456	-	53,679	18,658	-	41,826
Leave encashment	1,267	-	1,631	949	-	1,213
Bonus	9,329	-	20,481	8,113	-	15,890
Charge to defined benefit plan	1,728	-	3,704	1,744	-	3,695
Rent and house maintenance	9,655	-	24,156	8,396	-	18,518
Utilities	2,146	-	5,368	1,866	-	4,115
Conveyance	420	-	1,541	935	-	10,019
Provident fund	1,787	-	3,671	1,554	-	2,955
Others	138	-	10,532	597	-	11,912
	47,926	1,690	124,763	42,812	1,560	110,143
No of person(s)	1	8	31	1	8	25

36.2 The Chief Executive and Executives are also provided with Company maintained cars.

36.3 As defined in fourth Schedule of Companies Act 2017 (Amended vide S.R.O. 1169 (I)/2017 dated November 7th, 2017), "executive" means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

37 RELATED PARTY TRANSACTIONS

The Company is a subsidiary of Army Welfare Trust ("the parent company") therefore all subsidiaries and associated undertakings of the parent company are related parties of the Company. Other related parties comprise of directors, key management personnel, entities with common directorships and entities over which the directors are able to exercise influence. Balances with related parties are shown in the note 12.1 and 11.4 and the remuneration of chief executive, executives and directors is disclosed in note 36 to the unconsolidated financial statements. Transactions with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2023	2022
Transactions with the parent company:		
Rupees in thousand		
Insurance premium written (including government levies administrative surcharge and policies stamps)	12,209	10,619
Premium received during the period	11,639	10,519
Insurance claims paid	5,973	2,842
Rent paid	32,171	29,782
Dividend Paid	112,892	106,502
Transactions with subsidiary:		
Services acquired	29,779	74,537
Payments made	(38,194)	(78,941)
Insurance premium written (including government levies administrative surcharge and policies stamps)	1,022	1,044
Premium received during the period	1,014	1,035
Insurance claims paid	1,116	740
Transactions with associated undertakings:		
Army Welfare Sugar Mills		
Insurance premium written (including government levies administrative surcharge and policies stamps)	17,987	12,402
Premium received during the period	18,059	12,454
Insurance claims paid	373	672
Askari Aviation (Private) Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	2,414	2,593
Premium received during the period	2,553	3,241
Insurance claims paid	-	917

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Askari Development and Holdings (Private) Limited		
Rupees in thousand		
Insurance premium written (including government levies administrative surcharge and policies stamps)	13,642	7,320
Premium received during the period	490	7,760
Insurance claims paid	40,427	249
Askari Enterprises (Private) Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	303	240
Premium received during the period	206	336
Insurance claims paid	48	50
Askari CNG and Fuels		
Insurance premium written (including government levies administrative surcharge and policies stamps)	5,325	4,878
Premium received during the period	5,272	7,507
Insurance claims paid	1,949	369
Askari Guards (Private) Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	116,252	60,880
Premium received during the period	96,547	61,811
Insurance claims paid	3,956	15,993
Askari Lagoon Faisalabad		
Insurance premium written (including government levies administrative surcharge and policies stamps)	219	67
Premium received during the period	285	203
Insurance claims paid	56	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Askari Shoe Project	Rupees in thousand	
Insurance premium written (including government levies administrative surcharge and policies stamps)	4,044	2,403
Premium received during the period	2,690	2,390
Insurance claims paid	407	1,046
Askari Tours and Travels		
Insurance premium written (including government levies administrative surcharge and policies stamps)	1,008	1,095
Premium received during the period	2,521	224
Insurance claims paid	535	30
Askari Woolen Mills		
Insurance premium written (including government levies administrative surcharge and policies stamps)	2,582	1,264
Premium received during the period	2,074	1,346
Insurance claims paid	402	180
AWT Plaza Project		
Insurance premium written (including government levies administrative surcharge and policies stamps)	223	223
Premium received during the period	728	-
Insurance claims paid	142	240
Blue Lagoon		
Insurance premium written (including government levies administrative surcharge and policies stamps)	476	505
Premium received during the period	218	664
Insurance claims paid	226	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Fauji Security Services (Private) Limited		
Rupees in thousand		
Insurance premium written (including government levies administrative surcharge and policies stamps)	32,311	25,149
Premium received during the period	32,167	22,686
Insurance claims paid	1,571	1,129
MAL Pakistan Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	8,649	15,003
Premium received during the period	10,295	12,648
Insurance claims paid	11,185	5,017
Petrosel Lubricants (Private) Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	-	(149)
Premium received during the period	-	-
Insurance claims paid	-	-
Army Welfare Housing Scheme		
Insurance premium written (including government levies administrative surcharge and policies stamps)	544	566
Premium received during the period	544	523
Insurance claims paid	35	24

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Army Welfare Real Estate Division	Rupees in thousand	
Insurance premium written (including government levies administrative surcharge and policies stamps)	1,948	2,210
Premium received during the period	1,591	2,058
Insurance claims paid	1,016	599
Askari Apparel		
Insurance premium written (including government levies administrative surcharge and policies stamps)	-	(206)
Premium received during the period	-	-
Insurance claims paid	-	-
AWT Investments Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	34	2,878
Premium received during the period	-	2,313
Insurance claims paid	75	1,809
Services Travels		
Insurance premium written (including government levies administrative surcharge and policies stamps)	90	92
Premium received during the period	90	92
Insurance claims paid	-	17
Askari Life Assurance		
Insurance premium written (including government levies administrative surcharge and policies stamps)	2,015	1,640
Premium received during the period	1,992	4,101
Insurance claims paid	719	3,691

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Askari Seeds	Rupees in thousand	
Insurance premium written (including government levies administrative surcharge and policies stamps)	1,871	1,360
Premium received during the period	1,852	1,400
Insurance claims paid	473	366
Medask		
Insurance premium written (including government levies administrative surcharge and policies stamps)	5,478	5,225
Premium received during the period	4,587	435
Insurance claims paid	1,756	1,498
Jolidays (Private) Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	137	144
Premium received during the period	162	40
Insurance claims paid	9	73
Transactions with other related parties		
Contributions to Employees Provident Fund Trust	47,811	47,432

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

38 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	2023									
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees in thousand									
Financial assets measured at fair value										
Investment at fair value through profit and loss	262,784	-	-	-	-	262,784	262,784	-	-	262,784
Investment at fair value through other comprehensive income	-	470,061	-	-	-	470,061	470,061	-	-	470,061
Investment at fair value through profit and loss - WTO	215,340	-	-	-	-	215,340	155,471	-	-	155,471
Investment at available for sale - WTO	-	7916	-	-	-	7916	7916	-	-	7916
Financial assets not measured at fair value										
Investments										
- Government securities	-	-	2,774,068	-	-	2,774,068	-	-	-	2,777,794
- Fixed term deposits	-	210,025	-	-	-	210,025	-	-	-	-
Loans to employees	-	-	-	356	-	356	-	-	-	-
Accrued investment income*	-	-	-	68,687	-	68,687	-	-	-	-
Staff house building finance	-	-	-	3,096	-	3,096	-	-	-	-
Sundry receivables*	-	-	-	187,617	-	187,617	-	-	-	-
Amounts due from insurance contract holders*	-	-	-	1,397,809	-	1,397,809	-	-	-	-
Amounts due from other insurers / reinsurers*	-	-	-	66,649	-	66,649	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	888,923	-	888,923	-	-	-	-
Salvage recoveries accrued*	-	-	-	2,633	-	2,633	-	-	-	-
Cash and bank deposits*	-	-	-	314,999	-	314,999	-	-	-	-
Total assets of Window Takaful Operations - OPF	-	-	-	191,800	-	191,800	-	-	-	-
Financial liabilities not measured at fair value										
Provision for outstanding claims (including IBNR)*	-	-	-	-	(1,450,640)	(1,450,640)	-	-	-	-
Lease liabilities	-	-	-	-	(158,038)	(158,038)	-	-	-	-
Amounts due to other insurers / reinsurers*	-	-	-	-	(889,529)	(889,529)	-	-	-	-
Unclaimed dividend*	-	-	-	-	(13,291)	(13,291)	-	-	-	-
Accrued expenses*	-	-	-	-	(35,425)	(35,425)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(158,650)	(158,650)	-	-	-	-
Deposits and other payables*	-	-	-	-	(69,164)	(69,164)	-	-	-	-
Total liabilities of Window Takaful Operations - OPF	-	-	-	-	(139,902)	(139,902)	-	-	-	-
	478,124	688,002	2,774,068	3,122,569	(2,914,639)	4,148,124	896,232	-	-	2,777,794
										3,674,026

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2022										
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees in thousand									
Financial assets measured at fair value										
Investment at fair value through profit and loss	100,397	-	-	-	-	100,397	100,397	-	-	100,397
Investment at fair value through other comprehensive income	-	266,883	-	-	-	266,883	241,591	-	25,292	266,883
Investment at fair value through profit and loss - WTO	155,471	-	-	-	-	155,471	155,471	-	-	155,471
Investment at available for sale - WTO	-	22,008	-	-	-	22,008	17,008	-	5,000	22,008
Financial assets not measured at fair value										
Investments										
- Government securities	-	-	2,514,527	-	-	2,514,527	-	-	2,276,061	2,276,061
- Fixed term deposits	-	210,025	-	-	-	210,025	-	-	-	-
Loans to employees	-	-	-	342	-	342	-	-	-	-
Accrued investment income*	-	-	-	56,393	-	56,393	-	-	-	-
Staff house building finance	-	-	-	3,129	-	3,129	-	-	-	-
Sundry receivables*	-	-	-	137,573	-	137,573	-	-	-	-
Amounts due from insurance contract holders*	-	-	-	1,326,447	-	1,326,447	-	-	-	-
Amounts due from other insurers / reinsurers*	-	-	-	148,432	-	148,432	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	310,712	-	310,712	-	-	-	-
Salvage recoveries accrued*	-	-	-	3,341	-	3,341	-	-	-	-
Cash and bank deposits*	-	-	-	291,610	-	291,610	-	-	-	-
Total assets of Window Takaful Operations - OPF	-	-	-	161,395	-	161,395	-	-	-	-
Financial liabilities not measured at fair value										
Provision for outstanding claims (including IBNR)*	-	-	-	-	(763,291)	(763,291)	-	-	-	-
Lease liabilities	-	-	-	-	(199,754)	(199,754)	-	-	-	-
Amounts due to other insurers / reinsurers*	-	-	-	-	(1,034,109)	(1,034,109)	-	-	-	-
Unclaimed dividend*	-	-	-	-	(9,708)	(9,708)	-	-	-	-
Accrued expenses*	-	-	-	-	(11,014)	(11,014)	-	-	-	-
Other creditors and accruals*	-	-	-	-	(243,932)	(243,932)	-	-	-	-
Deposits and other payables*	-	-	-	-	(59,061)	(59,061)	-	-	-	-
Total liabilities of Window Takaful Operations - OPF	-	-	-	-	(38,258)	(38,258)	-	-	-	-
	255,868	498,916	2,514,527	2,439,374	(2,359,126)	3,349,559	514,467	-	2,306,353	2,820,820

* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value. Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:
Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

39 SEGMENT INFORMATION 39.1 Segment Profit and loss

	Fire and property damage		Marine, aviation and transport		Motor		Accident and health		Miscellaneous		Total
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
	Rupees in thousand										
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative surcharge)	1,060,111	804,706	589,165	356,741	1,453,290	1,256,430	1,408,786	1,051,637	930,536	997,901	4,467,415
Less: Federal Excise Duty	140,766	108,075	66,540	39,841	194,496	170,938	1,889	-	63,744	52,694	371,548
Federal Insurance Fee	9,377	6,920	5,090	2,993	12,359	10,809	13,873	10,316	8,502	9,384	40,422
Stamp Duty	326	352	15,533	11,808	675	785	774	7	191	233	13,184
Gross written premium (inclusive of administrative surcharge)	909,642	689,359	502,002	302,099	1,245,760	1,073,898	1,392,250	1,041,315	858,099	935,590	4,907,753
Gross premium	899,835	689,555	493,523	294,490	1,205,520	1,035,181	1,386,699	1,037,527	845,204	925,329	4,830,781
Administrative surcharge	7,325	6,222	10,098	9,378	40,442	38,669	1,055	985	9,345	7,588	62,842
Facultative inward premium	2,031	4,372	-	-	-	-	-	-	-	851	5,223
Service charges	451	(10,790)	(1,619)	(1,769)	(202)	48	4,496	2,803	3,550	1,822	(7,886)
Insurance premium earned	825,716	603,609	489,190	267,356	1,154,734	1,037,289	1,273,545	1,112,123	925,823	917,774	4,669,008
Insurance premium ceded to reinsurers	(734,057)	(549,258)	(323,880)	(184,159)	(43,064)	(41,800)	49	(65,116)	(716,847)	(699,869)	(1,817,799)
Net insurance premium	91,659	54,351	165,310	83,197	1,111,670	995,489	1,273,594	1,077,007	208,976	217,905	2,851,209
Commission income	136,063	119,221	90,460	60,252	5,374	4,285	(8)	5,619	138,580	131,333	320,710
Net underwriting income	227,722	173,572	255,770	143,449	1,117,044	999,774	1,273,586	1,082,626	347,556	349,238	3,221,678
Insurance claims	(870,240)	(182,373)	(137,942)	(91,509)	(632,096)	(493,866)	(1,185,051)	(967,841)	(438,438)	(278,233)	(2,013,822)
Insurance claims recovered from reinsurers	841,859	160,076	117,785	73,557	23,686	(1,156)	11,709	30,904	374,673	202,251	465,632
Net claims	(28,381)	(22,297)	(20,157)	(17,952)	(608,410)	(495,022)	(1,173,342)	(936,937)	(63,765)	(75,982)	(1,548,190)
Commission expense	(96,327)	(66,201)	(78,235)	(40,011)	(58,026)	(47,507)	(49,728)	(33,221)	(65,748)	(71,960)	(258,900)
Management expense	(48,273)	(27,435)	(87,061)	(41,996)	(626,135)	(544,590)	(34,798)	(31,116)	(110,058)	(109,994)	(755,131)
Underwriting results	54,741	57,639	70,317	43,491	(75,527)	(87,345)	15,718	81,352	107,984	91,302	173,233
Investment income											267,960
Rental income											6,472
Other income											72,091
Finance costs											(23,307)
Other expenses											(10,422)
Profit before tax from Window Takaful Operations - OPF											667,922
Profit before tax											104,504
											772,426

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

39.2 Segment Assets and Liabilities

	Fire and property damage		Marine, aviation and transport		Motor		Accident and health		Miscellaneous		Total
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
	Rupees in thousand										
Corporate Segment assets - Conventional	1,056,719	510,344	336,372	214,609	770,376	814,691	832,414	841,465	485,023	576,309	2,957,418
Corporate Segment assets - Takaful OPF	33,319	24,080	14,431	12,165	46,350	37,509	7,857	2,024	5,358	4,278	80,056
Corporate unallocated assets - Conventional											4,360,414
Corporate unallocated assets - Takaful OPF											3,679,847
Consolidated total assets											8,283,190
Corporate Segment liabilities - Conventional	1,145,290	569,126	336,081	252,662	1,283,117	1,196,123	1,473,259	1,274,827	694,778	716,257	4,008,995
Corporate Segment liabilities - Takaful OPF	31,626	26,738	6,951	12,654	63,801	61,242	15,488	3,033	5,461	5,228	108,895
Corporate unallocated Segment liabilities - Conventional											448,844
Corporate unallocated Segment liabilities - Takaful OPF											29,879
Consolidated total liabilities											5,534,575
											4,542,100

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

40	MOVEMENT IN INVESTMENTS				
	Held to maturity	Available-for-sale	Fair value through P&L	Loans and receivables	Total
	Rupees in thousand				
At beginning of previous year	2,296,767	467,691	673	-	2,765,131
Additions	1,699,489	338,471	809,099	-	2,847,059
Disposals (sale and redemptions)	(1,481,729)	(286,449)	(709,466)	-	(2,477,644)
Fair value net gain (excluding net realised gains)	-	(42,804)	91	-	(42,713)
Designated at fair value through profit / loss upon initial recognition	-	-	-	-	-
Classified as held for trading	-	-	-	-	-
Impairment (loss) / reversal	-	-	-	-	-
At beginning of current year	2,514,527	476,909	100,397	-	3,091,833
Additions					
Disposals (sale and redemptions)	1,064,060	296,198	1,917,137	-	3,277,395
Fair value net gain (excluding net realised gains)	(804,519)	(179,669)	(1,756,172)	-	(2,740,360)
Designated at fair value through profit / loss upon initial recognition	-	86,646	1,424	-	88,070
Classified as held for trading	-	-	-	-	-
Impairment reversal	-	-	-	-	-
	-	-	-	-	-
At end of current year	2,774,068	680,084	262,786	-	3,716,938

41 MANAGEMENT OF FINANCIAL AND INSURANCE RISK

41.1 Financial risk

The Company's activities exposes it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest / mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous year in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing the Company's risk management policies.

i) 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.

Concentration of credit risk occurs 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 management monitors and limits the Company's exposure to credit risk through monitoring of client's exposure and maintaining conservative estimates of provisions for doubtful assets, if required. The management believes it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The carrying amount of financial assets represents the maximum credit exposure, as specified below:

	2023	2022
	Rupees in thousand	
Bank deposits	312,029	289,287
Investments	3,716,938	3,091,833
Salvage recoveries accrued	2,633	3,341
Amounts due from insurance contract holders	1,397,809	1,326,447
Amounts due from other insurers / reinsurers	66,649	148,432
Accrued investment income	68,687	56,393
Reinsurance recoveries against outstanding claims	888,923	310,712
Staff house building finance	3,096	3,129
Sundry receivables	187,617	137,573
	6,644,381	5,367,147

The Company does not hold any collateral against the above balances except for staff house building finance. Provision against receivable is written off when the Company expects that it cannot recover the balance due. Except as already provided for in these unconsolidated financial statements, past due balances were not impaired as they relate to a number of policy holders and other insurers / reinsurers for whom there is no recent history of default. The age analysis of gross receivables is as follows:

	Amount due from insurance contract holders	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Sundry receivables	2023 Aggregate	2022 Aggregate
	Rupees in thousand					
Up to 1 year	1,189,134	65,875	772,612	187,617	2,215,238	1,667,646
1-2 years	208,825	774	88,611	-	298,210	219,267
2-3 years	10,451	5,588	9,070	-	25,109	20,337
Over 3 years	5,039	-	18,630	-	23,669	26,498
	1,413,449	72,237	888,923	187,617	2,562,226	1,933,748

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

a) The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Rating Financial institution	Rating		Rating agency	2023	2022
	Long term	Short term		Rupees in thousand	
Askari Bank Limited	AA+	A1+	PACRA	283,313	237,284
Bank Makramah Limited (Formerly:Summit Bank Limited)	Un Rated	Un Rated	VIS	31	957
Habib Bank Limited	AAA	A-1+	VIS	1,829	852
Faysal Bank Limited	AA	A1+	PACRA	2,021	2,001
Bank Al Falah Limited	AA+	A1+	PACRA	4	7
Bank Al-Habib Limited	AAA	A1+	PACRA	868	1,356
Meezan Bank Limited	AAA	A-1+	VIS	3,065	14,988
The Bank Of Punjab	AA+	A1+	PACRA	3,189	387
NRSP Microfinance Bank	A-	A2	PACRA	40	1,409
JS Bank Limited	AA-	A1+	PACRA	2,645	1,116
Bank Of Khyber	A+	A1	PACRA	2,938	1,294
Punjab Provincial Cooperative Bank	Exempted	Exempted	Not applicable	742	1,565
Zarai Taraqiyati Bank	AAA	A-1+	VIS	7,840	2,441
Allied Bank Limited	AAA	A1+	PACRA	990	2,459
Finca Microfinance Bank	A-	A2	PACRA	983	3,098
U Microfinance Bank	A+	A-1	VIS	393	10
MCB Bank Limited	AAA	A1+	PACRA	1,092	-
United Bank Limited	AAA	A-1+	VIS	44	18,064
Bank of Azad Jammu & Kashmir	Un Rated	Un Rated		2	-
				312,029	289,288

b) The credit quality of amounts due from other insurers / reinsurers and reinsurance recoveries against outstanding claims can be assessed with reference to external credit rating as follows:

Rating	2023		2022	
	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Aggregate	Aggregate
	Rupees in thousand			
Rating	72,237	888,923	961,160	459,763
A or above	-	-	-	-
Others	72,237	888,923	961,160	459,763

c) The Company has diversified portfolio of investment to mitigate the risk. The credit risk exposure relates to investment in debt securities as mentioned in note 10 to the unconsolidated financial statements. The Company has also maintained a provision against certain certificates of investments as disclosed in note 10 to the unconsolidated financial statements.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Liquidity requirements are monitored by management to ensure that adequate funds are available to meet any obligations as they arise. To guard against risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The table below summarises the maturity profile of the Company's financial liabilities. The contractual maturities of these liabilities at the year end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which these liabilities will be settled.

	2023			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees in thousand			
Provision for outstanding claims (including IBNR)	1,450,640	1,450,640	1,450,640	-
Amounts due to other insurers / reinsurers	889,529	889,529	889,529	-
Other creditors and accruals	152,845	152,845	152,845	-
Unclaimed dividend	13,291	13,291	13,291	-
Deposits and other payables	69,164	69,164	69,164	-
Lease liabilities	158,038	158,038	54,980	103,058
Other liabilities	41,230	41,230	41,230	-
Total liabilities of Window Takaful Operations - OPF	139,902	139,902	139,902	-
	2,914,639	2,914,639	2,811,581	103,058

	2022			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees in thousand			
Provision for outstanding claims (including IBNR)	763,291	763,291	763,291	-
Amounts due to other insurers / reinsurers	1,034,109	1,034,109	1,034,109	-
Other creditors and accruals	89,777	89,777	89,777	-
Unclaimed dividend	9,708	9,708	9,708	-
Deposits and other payables	59,061	59,061	59,061	-
Lease Liabilities	199,754	199,754	56,785	142,969
Other liabilities	45,610	45,610	45,610	-
Total liabilities of Window Takaful Operations - OPF	115,988	115,988	115,988	-
	2,317,298	2,317,298	2,174,329	142,969

iii) Market risk

a) Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market variable such as interest / mark up rate, foreign exchange rate and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The market risks associated with the Company's business activities are interest / mark up rate risk and price risk.

Interest / mark up rate risk

Interest / mark-up rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in the market interest / mark up rates. The Company invests in securities and has deposits that are subject to interest / mark up rates risk. The Company limits interest / mark up rate risk by monitoring changes in interest / mark up rates in the currencies in which its cash and investments are denominated. The Company's financial liabilities are not exposed to interest / mark up rate risk. At the balance sheet date exposure to interest bearing financial assets is as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022	2023	2022
	Effective interest rate (%)		Carrying amounts	
	Rupees in thousand			
Fixed rate financial assets				
Investments	9.06% to 13.49%	8.49% to 13.49%	1,749,454	2,514,527
Variable rate financial assets				
Deposit accounts	7% to 20.5%	3.70% to 14.50%	278,921	265,141
Investments	15.67% to 23.60%	8.13% to 22.97%	1,234,639	235,318
			3,263,014	3,014,986

b) Foreign currency risk

Foreign currency risk is the risk that 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.

c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity market.

The following table summarises the Company's price risk as at December 31, 2023 and 2022. It shows the effects of an estimated increase of 10% in the market prices as on those dates. A decrease of 10% in the fair values of the listed securities would affect it in a similar and opposite manner.

	Fair value	Price change	Effect on fair value
	Rupees in thousand		Rupees in thousand
December 31, 2023	732,845	+10%	73,285
	732,845	-10%	(73,285)
December 31, 2022	341,988	+10%	34,199
	341,988	-10%	(34,199)

iv) Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values except for available for sale and held to maturity investments whose fair values are determined for disclosure purpose only and have been disclosed in their respective notes to these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Determination of fair values

Fair values have been determined for measurement / or disclosure purpose based on the following methods:

Investment in fair value through profit and loss account - held for trading

The fair value of held for trading investment is determined by reference to their closing repurchase price / price quoted on the stock exchange at the reporting date.

Available-for-sale investment

The fair value of available for sale investment is determined by reference to their closing repurchase price / price quoted on the stock exchange at the reporting date. They are being carried at fair value.

Held to maturity investment

Fair value for held to maturity investment is estimated as the present values of future cash flows, discounted at the market rate of interest at the reporting date. They are being carried at fair value.

Non-derivatives financial assets and liabilities

The fair value is estimated based on the present values of future cash flows, discounted at the market rate of interest at the reporting date. However, since these assets and liabilities are due to be settled within one year, their fair values approximate their carrying values.

v) 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 business.

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

In accordance with the requirements of the Insurance Rules, 2017 issued by the SECP, minimum paid-up capital requirement to be complied with by insurance/ takaful companies as at December 31, 2017 and for subsequent years is Rs. 500 million. As at 31 December 2023, the Company's paid-up capital is in excess of the prescribed limit.

41.2 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The principal risk that the Company faces under its insurance contracts is that the actual claims exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random, and the actual number and amount of claims will vary from year to year from the level established.

Based on past experience, management is of the view that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome is. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(a) Frequency and severity of claims

Political, environmental, economical and climatic changes give rise to more frequent and severe extreme events (for example, fire, theft, steal, riot and strike, explosion, earthquake, atmospheric damage, hurricanes, typhoons, river flooding, electric fluctuation, terrorism, war risk, damages occurring in inland transit, burglary, loss of cash in safe and cash in transit, travel and personal accident, money losses, engineering losses and other events) and their consequences (for example subsidence claims). For certain contracts, the Company has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

Insurance contracts which are divided into direct and facultative arrangements are further subdivided into five segments: fire, marine, motor, accident and health and miscellaneous. The insurance risk arising from these contracts is concentrated in the territories in which the Company operates, and there is a balance between commercial and personal properties / assets in the overall portfolio of insured properties / assets. The Company underwrites insurance contract in Pakistan.

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. The Company has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation). The claim payments are limited to the extent of sum insured on occurrence of the insured event.

The Company has entered into reinsurance cover / arrangements with local and foreign reinsurers having good credit rating by reputable rating agencies, to reduce its exposure to risks and resulting claims. Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional facultative reinsurance arrangements are in place to protect the net account in case of a major catastrophe. The effect of such reinsurance arrangements is that the Company recovers the share of claims from reinsurers thereby reducing its exposure to risk. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional reinsurance arrangements, any loss over and above the said limit would be recovered under non-proportional treaty which is very much in line with the risk management philosophy of the Company. In compliance of the regulatory requirement, the reinsurance agreements are duly submitted with Securities and Exchange Commission of Pakistan on an annual basis.

The Company has claims department dealing with the mitigation of risks surrounding claims incurred whether reported or not. This department investigates and settles all claims based on surveyor's report / assessment. The unsettled claims are reviewed individually on a periodic basis and adjusted to reflect the latest information on the underlying facts, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

(b) Sources of uncertainty in the estimation of future claim payments

Claims reported and otherwise are analyzed separately. The development of large losses / catastrophes is analyzed separately. The shorter settlement year for claims allows the Company to achieve a higher degree of certainty about the estimated cost of claims including IBNR. However, the longer time needed to assess the emergence of a subsidence claim makes the estimation process more uncertain for these claims.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value, reinsurance and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome may be different from the original liability established. The liability comprises amount in relations to unpaid reported claims, claims incurred but not reported (IBNR), expected claims settlement costs and a provision for unexpired risks at the end of the reporting year.

Liability in respect of outstanding claims is based on the best estimate of the claims intimated or assessed. In calculating the estimated cost of unpaid claims (both reported and not), the Company estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a prior financial years in relation to such claims) and an estimate based upon actual claims experience using predetermined basis where greater weight is given to actual claims experience as time passes.

In estimating the liability for the cost of reported claims not yet paid, the Company considers any information available from surveyor's assessment and information on the cost of settling claims with similar characteristics in previous years. Claims are assessed on a case-by-case basis separately.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Particulars	Total amount	Age-wise Breakup				
		1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
Rupees in thousand						
Claims not encashed	91,630	74,084	5,307	5,203	7,036	-

(c) Key assumptions

The principal assumption underlying the liability estimation of IBNR and Premium Deficiency Reserves is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative 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.

(d) Changes in assumptions

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

(e) Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to 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 claim numbers and expected loss ratios. The Company considers that the liability for insurance claims recognized in the balance sheet is adequate. However, actual experience will differ from the expected outcome.

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.

	Profit before tax		Shareholders' equity	
	2023	2022	2023	2022
	Rupees in thousand		Rupees in thousand	
10% increase in loss				
Fire and property damage	(2,267)	(1,789)	(1,383)	(1,199)
Marine aviation and transport	(2,283)	(2,154)	(1,393)	(1,443)
Motor	(18,635)	(16,626)	(11,368)	(11,139)
Health	(27,862)	(20,524)	(16,996)	(13,751)
Miscellaneous	(5,125)	(4,165)	(3,126)	(2,791)
	(56,172)	(45,258)	(34,266)	(30,323)

A 10% decrease would have had equal but opposite effect on the profit and loss account and shareholders' equity.

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, to the Company's profit before tax and equity based upon closing balances and rates:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Increase / (decrease) in basis points	Effect on profit before tax	Effect on equity
			Rupees in thousand
December 31, 2023	100	4,420	2,962
	-100	(4,420)	(2,962)
December 31, 2022	100	4,533	3,037
	-100	(4,533)	(3,037)

(f) Concentration of insurance risk

A concentration of risk may also arise from a single insurance contract issued to a particular type of policyholder, within a geographical location or to types of commercial business. The Company minimizes its exposure to significant losses by obtaining reinsurance from a number of reinsurers, who are dispersed over several geographical regions.

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

	Gross sum insured	Reinsurance	Net
			Rupees in thousand
2023			
Fire and property	780,701,269	687,318,387	93,382,882
Marine, aviation and transport	599,779,334	451,603,841	148,175,493
Motor	93,152,036	2,922,553	90,229,483
Miscellaneous	376,242,357	210,609,007	165,633,350
	1,849,874,996	1,352,453,788	497,421,208
2022			
Fire and property	744,390,706	666,441,971	77,948,735
Marine, aviation and transport	613,988,830	372,182,600	241,806,230
Motor	67,852,699	1,885,714	65,966,985
Miscellaneous	482,876,418	371,986,705	110,889,713
	1,909,108,653	1,412,496,990	496,611,663

The Company's class wise major risk exposure is as follows:

	Maximum Gross Risk Exposure	
	2023	2022
		Rupees in thousand
Fire and property	90,907,420	90,869,307
Marine, aviation and transport	33,265,697	37,400,000
Motor	3,039,852	3,078,032
Liability	2,070,000	1,890,000
Miscellaneous	25,630,000	23,196,748

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2023

	2023						Total	
	Interest / mark-up bearing financial instruments			Non-interest / mark-up bearing financial instruments				
	Effective rate % per annum	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year		Sub total
Rupees in thousand								
Financial assets								
Investments								
Equity securities		-	-	-	732,845	-	732,845	732,845
Debt securities	8.49% to 13.49%	249,493	2,734,600	2,984,093	-	-	-	2,984,093
Loans and other receivables		181	2,915	3,096	261,198	-	261,198	264,294
Insurance / reinsurance receivables		-	-	-	1,464,458	-	1,464,458	1,464,458
Reinsurance recoveries against outstanding claims		-	-	-	888,923	-	888,923	888,923
Salvage recoveries accrued		-	-	-	2,633	-	2,633	2,633
Cash and bank	7% to 20.5%	278,921	-	278,921	36,078	-	36,078	314,999
Total assets of Window Takaful								
Operations - Operator's Fund		223,256	-	223,256	191,800	-	191,800	415,056
		751,851	2,737,515	3,489,366	3,577,935	-	3,577,935	7,067,301
Financial liabilities								
Outstanding claims including IBNR		-	-	-	(1,450,640)	-	(1,450,640)	(1,450,640)
Insurance / reinsurance payables		-	-	-	(889,529)	-	(889,529)	(889,529)
Other creditors and accruals		-	-	-	(194,075)	-	(194,075)	(194,075)
Deposits and other payables		-	-	-	(69,164)	-	(69,164)	(69,164)
Liabilities against assets - secured		(54,980)	(103,058)	(158,038)	-	-	-	(158,038)
Unclaimed dividends		-	-	-	(13,291)	-	-	(13,291)
Total liabilities of Window Takaful								
Operations - Operator's Fund					(139,902)	-	(139,902)	(139,902)
		(54,980)	(103,058)	(158,038)	(2,756,601)	-	(2,743,310)	(2,914,639)
Interest risk sensitivity gap		696,871	2,634,457	3,331,328	821,334	-	834,625	4,152,662
Cumulative interest risk sensitivity gap		696,871	3,331,328					

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2022

	Effective rate % per annum	Interest / mark-up bearing financial instruments			Non-interest / mark-up bearing financial instruments			Total
		Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
		Rupees in thousand						
Financial assets								
Investments								
Equity securities		-	-	-	341,988	-	341,988	341,988
Debt securities	8.56% to 13.60%	807,296	1,942,549	2,749,845	-	-	-	2,749,845
Loans and other receivables	8.15% to 10.28%	64	3,064	3,128	137,570	-	137,570	140,698
Insurance / reinsurance receivables		-	-	-	1,474,879	-	1,474,879	1,474,879
Reinsurance recoveries against outstanding claims		-	-	-	310,712	-	310,712	310,712
Salvage recoveries accrued		-	-	-	3,341	-	3,341	3,341
Cash and bank	2.52% to 8.00%	265,141	-	265,141	26,469	-	26,469	291,610
Total assets of Window Takaful Operations - Operator's Fund		92,076	-	92,076	274,884	-	274,884	366,960
		1,164,577	1,945,613	3,110,190	2,569,843	-	2,569,843	5,680,033
Financial liabilities								
Outstanding claims including IBNR		-	-	-	(763,291)	-	(763,291)	(763,291)
Insurance / reinsurance payables		-	-	-	(1,034,109)	-	(1,034,109)	(1,034,109)
Other creditors and accruals		-	-	-	(135,386)	-	(135,386)	(135,386)
Deposits and other payables		-	-	-	(59,061)	-	(59,061)	(59,061)
Liabilities against assets - secured		(56,785)	(142,969)	(199,754)	-	-	-	(199,754)
Unclaimed dividends		-	-	-	(9,706)	-	-	(9,706)
Total liabilities of Window Takaful Operations - Operator's Fund		(56,785)	(142,969)	(199,754)	(2,117,541)	-	(2,107,835)	(2,317,295)
Interest risk sensitivity gap		1,107,792	1,802,644	2,910,436	452,302	-	462,008	3,362,738
Cumulative interest risk sensitivity gap		1,107,792	2,910,436					

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

42	STATEMENT OF SOLVENCY	2023
		Rupees in thousand
Assets		
	Property and equipment	324,278
	Intangible assets	7,353
	Investment property	35,261
	Investment in subsidiary	10,000
	Investments	
	- Equity securities	732,845
	- Debt securities	2,984,093
	Loans and other receivables	259,756
	Insurance / Reinsurance receivables - unsecured, considered good	1,464,458
	Reinsurance recoveries against outstanding claims	888,923
	Salvage recoveries accrued	2,633
	Deferred commission expense / Acquisition cost	154,757
	Deferred taxation	8,372
	Prepayments	653,590
	Cash and bank	314,999
	Total assets from Window Takaful Operations - OPF	441,872
	Total Assets (A)	8,283,190
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000		
(d)	loans to employees	3,452
(g)	receivable from related parties	130,888
(g)	investment in subsidiary	10,000
(h)	insurance / reinsurance receivables for more than three months	864,392
(i)	intangible assets	7,353
(j)	deferred tax asset	8,372
(k)	security deposit receivable	17,618
(k)	security deposits	69,164
(l)	assets subject to encumbrances	330,000
(U)-(i)	vehicles	90,089
(U)-(ii)	office equipment	22,787
(U)-(ii)	office equipment (window takaful operator's fund)	573
(U)-(iii)	fixtures and fittings	7,865
(U)-(iii)	fixtures and fittings (window takaful operator's fund)	369
(v)	Investments in TFC & Sukuks	119,558
32(5)	Right of use assets - Rental properties	96,657
	Total of In-admissible assets (B)	1,779,137
	Total Admissible Assets (C=A-B)	6,504,053

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Total Liabilities	2023
	Rupees in thousand
Underwriting Provisions	
- Outstanding claims including IBNR	1,450,640
- Unearned premium reserves	2,062,367
- Unearned reinsurance commission	122,020
Retirement benefit obligations	9,038
Staff compensated absences	50,871
Lease liabilities	158,038
Taxation - provision less payment	92,691
Premium received in advance	194,993
Insurance / Reinsurance Payables	889,529
Unclaimed dividend	13,291
Other Creditors and Accruals	268,727
Deposits and other payables	69,164
Total Liabilities	5,381,369
Total liabilities from Window Takaful Operations - OPF	153,206
Total Liabilities (D)	5,534,575
Total Net Admissible Assets (E=C-D)	969,478
Minimum solvency requirement (higher of following)	570,242
Method A - U/s 36(3)(a)	150,000
Method B - U/s 36(3)(b)	570,242
Method C - U/s 36(3)(c)	395,646
Excess in Net Admissible Assets over Minimum Requirements	399,236

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

43 The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	2023	2022
	Rupees in thousand	
44 WINDOW TAKAFUL OPERATIONS - OPF		
Assets		
Cash and bank deposits	100,852	92,076
Investments	223,256	177,479
Current assets - others	117,109	96,462
Fixed assets	655	943
Total assets	441,872	366,960
Total liabilities - current	153,206	118,919
Profit from Window Takaful Operations - OPF	104,504	61,369

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed financial statements.

45 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions.

46 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Company in the meeting held on 14 March 2024 have proposed a final cash dividend of Rupees 3.25 per share.

47 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements have been authorized for issue by the Board of Directors of the Company on 14 March 2024.

48 GENERAL

Number of employees

Total number of employees at the end of the year were 387 (2022: 377). Average number of employees during the year were 384 (2022: 381).



Suleman Khalid
Chief Financial Officer



Abdul Waheed
President & Chief Executive



Malik Riffat Mahmood
Director



Maj Gen Kamran Ali (Retd)
Director



Lt Gen Nauman Mahmood (Retd)
Chairman

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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INDEPENDENT AUDITORS' REPORT

To the members of Askari General Insurance Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Askari General Insurance Company Limited (the Company), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2023, and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No	Key audit matter(s)	How the matters were addressed in our audit
1	<p>Revenue Recognition</p> <p>(Refer notes 3.8 and 23 of the consolidated financial statements)</p> <p>The Company's total revenue amounts to Rs. 2,850.187 million which is generated from premium on insurance policies representing a significant element of the financial statements of the Company.</p> <p>Premium income is one of the key performance indicators of the Company. Because of the significance of the premium as key performance indicator and risk that revenue transactions may not be recognized in the appropriate period in line with revenue recognition policy, we considered this area as a key audit matter.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> - Obtained the understanding, evaluated the design and implementation and operating effectiveness controls over the process of capturing, processing and recording of premiums; - Assessed whether the Company's accounting policy for revenue recognition from premium is compliant with the requirements of applicable laws, accounting and reporting standards as applicable in Pakistan as disclosed in note 2.1 of the unconsolidated financial statements; - Evaluated the completeness, accuracy and reliability of the underlying policies/data used for revenue recognition from premiums; - Checked the premiums recorded on sample basis from the underlying policies issued to insurance contract holders; - Checked the policies on sample basis where premium was recorded close to year end and subsequent to year end to evaluate that revenue from premiums was recognized in the appropriate accounting period; - Recalculated the unearned portion of premium revenue to ensure that appropriate amount has been recorded as revenue for the current period.

S. No.	Key audit matter(s)	How the matters were addressed in our audit
2	<p>Valuation of Claims Liabilities including Provision for Incurred but Not Reported (IBNR) Claims Reserves</p> <p>(Refer notes 3.9 and 24 of the annexed consolidated financial statements)</p> <p>As at December 31, 2023, claims liabilities represent 26% (Rs. 1,450.64 million including Rs. 326.517 million of IBNR reserves) of its total liabilities (including Window Takaful Operations' Liabilities). Valuation of claim liabilities involves significant management judgment regarding uncertainty in the estimation of claims. Claims liabilities are recognized on intimation of the insured event based on management judgment and estimate. Provision for IBNR is calculated by the Company as required under Circular No. 9 of 2016 issued by the Securities and Exchange Commission of Pakistan based on the advice of actuary. The actuarial valuation process also involves significant judgment and the use of actuarial assumptions.</p> <p>Because of the significance of the impact of these judgments / estimations and assumptions used in determination of claims liabilities and calculation of provision for IBNR, we consider this area as key audit matter.</p>	<p>Our audit procedures in relation to this matter included amongst others:</p> <ul style="list-style-type: none"> - Assessed the design and implementation of the relevant controls over the measurement and calculation of IBNR reserves and evaluated the appropriateness of methodologies and assumptions used; - Evaluated the completeness, accuracy and reliability of the underlying data used by the management for the actuarial valuation; - Assessed competence, capability and objectivity of the actuary used by the management for calculation of provision for IBNR; - Involved an independent actuarial expert to test the assumptions, assessed their competence, capability, and objectivity of the actuary and the reasonableness of the assumptions used by the management and their accuracy; - Checked the adequacy of IBNR reserves and assessed an internal consistency and a reasonableness of basic actuarial figures with the prior year.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

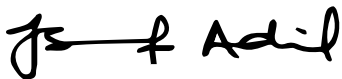
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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 the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- (b) the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI 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 Mr. Shahzad Ali.



Chartered Accountants
Islamabad
Date: 03 April 2024
UDIN: AR202310134Mdfn07qUX

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		31 December 2023	31 December 2022
	Note	Rupees in thousand	
ASSETS			
Property and equipment	5	352,317	417,054
Intangible assets	6	7,562	9,992
Investment property	7	35,261	36,571
Investments			
- Equity securities	8	732,845	341,988
- Debt securities	9	2,984,093	2,749,845
Loans and other receivables	10	255,292	205,284
Insurance / Reinsurance receivables	11	1,464,458	1,474,879
Reinsurance recoveries against outstanding claims	24	888,923	310,712
Salvage recoveries accrued		2,633	3,339
Deferred commission expense / Acquisition cost	25	154,757	108,258
Deferred taxation	14	8,434	36,324
Prepayments	15	654,781	672,960
Cash and bank	16	317,796	295,746
Total assets from Window Takaful Operations - OPF	43	441,872	366,960
Total Assets		8,301,024	7,029,911

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

		31 December 2023	31 December 2022
	Note	Rupees in thousand	
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	17	719,019	719,019
Share premium	18	121,161	121,161
Reserves	18	102,652	46,077
Unappropriated profit		1,810,328	1,584,559
Total Equity		2,753,160	2,470,816
Liabilities			
Underwriting Provisions			
- Outstanding claims including IBNR	24	1,450,640	763,291
- Unearned premium reserves	23	2,062,367	1,823,622
- Unearned reinsurance commission	25	122,020	113,761
Retirement benefit obligations	12	9,038	30,675
Staff compensated absences	13	50,871	44,185
Liabilities against assets - secured	19	158,038	199,754
Taxation - provision less payment		86,831	28,864
Premium received in advance		194,993	63,361
Insurance / Reinsurance payables	20	889,529	1,034,109
Unclaimed dividends		13,291	9,708
Other creditors and accruals	21	287,876	269,786
Deposits and other payables		69,164	59,061
Total Liabilities		5,394,658	4,440,177
Total liabilities from Window Takaful Operations - OPF	43	153,206	118,919
Total Equity and Liabilities		8,301,024	7,029,911
Contingencies and commitments	22		

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

		31 December 2023	31 December 2022
	Note	Rupees in thousand	
Net insurance premium	23	2,850,187	2,426,941
Net insurance claims	24	(1,794,055)	(1,548,190)
Net commission and other acquisition costs	25	22,405	61,811
Insurance claims and acquisition expenses		(1,771,650)	(1,486,379)
Management expenses	26	(902,998)	(752,103)
Underwriting results		175,539	188,459
Investment income	27	449,856	267,960
Rental income	28	6,472	5,991
Other income	29	73,084	53,800
Other expenses	30	(10,589)	(9,313)
Results of operating activities		694,362	506,897
Finance costs	31	(23,307)	(25,605)
Profit before tax from General Operations		671,055	481,292
Profit before tax from Window Takaful Operations - OPF	32	99,877	68,568
Profit before tax		770,932	549,860
Income tax expense	33	(342,576)	(194,772)
Profit after tax		428,356	355,088
Other comprehensive income:			
Items that will be reclassified subsequently to profit and loss account:			
Unrealised (loss) / gain on available for sale investments - net		55,992	(4,149)
Unrealized loss on available for sale investments from Window Takaful Operations - OPF (net)		583	(887)
		56,575	(5,036)
Items that will not be reclassified subsequently to profit and loss account:			
Effect of remeasurement of staff retirement benefit plans - net		6,004	2,020
Total comprehensive income for the year		490,935	352,072
Earnings (after tax) per share - Rupees (restated)	34	5.96	4.94

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



Suleman Khalid
Chief Financial Officer



Abdul Waheed
President & Chief Executive



Malik Riffat Mahmood
Director



Maj Gen Kamran Ali (Retd)
Director



Lt Gen Nauman Mahmood (Retd)
Chairman

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Rupees in thousand		
Operating cash flows		
a) Underwriting activities:		
Premium received	5,041,174	4,012,553
Reinsurance premium paid	(1,623,035)	(1,456,638)
Claims paid	(2,476,417)	(1,889,692)
Reinsurance and other recoveries received	568,951	475,547
Commission paid	(387,771)	(244,413)
Commission received	306,467	316,927
Management expenses paid	(828,408)	(726,102)
Net cash flows generated from underwriting activities	600,961	488,182
b) Other operating activities:		
Income tax paid	(278,845)	(142,065)
Other expenses paid	(10,990)	(9,851)
Other operating receipts / (payments)	(15,391)	122,321
Advances to employees	(15)	16
Net cash used in other operating activities	(305,241)	(29,579)
Total cash generated from all operating activities	295,720	458,603
Investing activities:		
Profit / return received	343,472	277,143
Dividends received	68,875	19,250
Payments for investments	(3,213,309)	(2,652,673)
Proceeds from investments	2,824,113	2,310,030
Fixed capital expenditure	(74,530)	(36,021)
Proceeds from disposal of fixed assets	5,753	2,291
Total cash used in investing activities	(45,626)	(79,980)
Financing activities:		
Financial charges paid	(23,307)	(25,605)
Repayment of obligation under finance lease	(11,982)	(68,643)
Dividend paid	(203,787)	(198,993)
Staff house building finance - net	48	884
Mark-up on staff house building finance received	631	477
Funds Amortized Against Leased Vehicles	10,429	7,691
Equity transactions costs paid	(76)	(62)
Total cash used in financing activities	(228,044)	(284,251)
Net cash used in all activities	22,050	94,372
Cash and cash equivalents at beginning of the year	295,746	201,374
Cash and cash equivalents at end of the year	317,796	295,746

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	Rupees in thousand	
Reconciliation to Profit and Loss Account		
Operating cash flows	295,720	458,603
Depreciation and ammortization expense	(110,550)	(98,341)
Financial charges	(23,307)	(25,605)
Gain on disposal of fixed assets	3,016	2,160
Decrease in assets other than cash	934,337	149,144
Decrease in liabilities other than running finance	(1,215,120)	(441,115)
Unrealized gain on investments - held for trading	1,513	91
Provision For Diminution In Value Of Investments	(1,679)	(34,970)
Dividend income	68,864	19,250
Investment income	352,143	282,068
Profit on bank deposits	57,265	26,421
Income tax provision	(342,576)	(194,772)
Gain on trading	30,008	1,521
Tax paid	278,845	142,065
Profit after taxation from General Insurance Operations	328,479	286,520
Profit from Window Takaful Operations - OPF	99,877	68,568
Profit after taxation	428,356	355,088

Definition of cash :

Cash comprises cash in hand, bank balances, stamp in hand and short term placements with banks which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

	2023	2022
	Rupees in thousand	
Cash for the purpose of cash flow statement consists of:		
Cash and other equivalents		
Cash in hand	1,642	1,621
Stamp in hand	1,388	762
	3,030	2,383
Current and other accounts		
Current accounts	34,227	24,663
Deposit accounts	280,539	268,700
	314,766	293,363
Total	317,796	295,746

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital		Reserves			Total	Total
	Issued, subscribed and paid up	Capital reserve	Revenue reserve			reserves	equity
			Share premium	General reserve	Available for sale investment revaluation reserve		
Rupees in thousand							
Balance as at 01 January 2022	719,019	121,161	70,000	(18,887)	1,425,243	1,597,517	2,316,536
Total comprehensive income for the year							
Profit for the year	-	-	-	-	355,088	355,088	355,088
Other comprehensive income for the year - net of tax	-	-	-	(5,036)	2,020	(3,016)	(3,016)
Total comprehensive income for the year	-	-	-	(5,036)	357,108	352,072	352,072
Changes in owners' equity							
Cash dividend 2021: Rupees 2.75 per share	-	-	-	-	(197,730)	(197,730)	(197,730)
Equity transaction costs	-	-	-	-	(62)	(62)	(62)
	-	-	-	-	(197,792)	(197,792)	(197,792)
Balance as at 31 December 2022	719,019	121,161	70,000	(23,923)	1,584,559	1,751,797	2,470,816
Balance as at 01 January 2023	719,019	121,161	70,000	(23,923)	1,584,559	1,751,797	2,470,816
Total comprehensive income for the year							
Profit for the year	-	-	-	-	428,356	428,356	428,356
Other comprehensive income for the year - net of tax	-	-	-	56,575	6,004	62,579	62,579
Total comprehensive income for the year	-	-	-	56,575	434,360	490,935	490,935
Changes in owners' equity							
Cash dividend 2022: Rupees 2.90 per share	-	-	-	-	(208,515)	(208,515)	(208,515)
Equity transaction costs	-	-	-	-	(76)	(76)	(76)
	-	-	-	-	(208,591)	(208,591)	(208,591)
Balance as at 31 December 2023	719,019	121,161	70,000	32,652	1,810,328	2,034,141	2,753,160

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

NOTES TO AND FORMING PART OF THE **CONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31 DECEMBER 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

Askari general insurance company limited ("the Company") was incorporated under the Companies Ordinance, 1984 (Repealed with enactment of the Companies Act, 2017) as a public limited company on 12 April 1995. The Company is engaged in non-life insurance business comprising of fire, marine, motor, health and miscellaneous. The Company commenced its commercial operations on 15 October 1995. Shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office and principal place of business of the Company is located at AWT Plaza, Rawalpindi. The Company has 20 branches in Pakistan. The Company is a subsidiary of Army Welfare Trust.

The Company was granted license to work as Window Takaful Operator (WTO) dated August 10, 2015 by the Securities and Exchange Commission of Pakistan (SECP) under Takaful Rules, 2012 to carry on Window Takaful Operations in Pakistan.

For the purpose of these consolidated financial statements, the Company and its above referred wholly owned subsidiary AskTech (Pvt) Ltd is referred to as the Group.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard 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, Takaful Rules, 2012 and General Takaful Accounting Regulation, 2019. In case requirements differ, the provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012 and General Takaful Accounting Regulation, 2019 shall prevail.

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

The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 89(1)/2017 dated 9 February, 2017 has prescribed format of the presentation of annual financial statements for general insurance companies. These financial statements have been prepared in accordance with the format prescribed by the SECP.

Total assets, total liabilities and profit / (loss) of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in this condensed interim financial information in accordance with the requirements of Circular 25 of 2015 dated 9 July 2015.

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

2.2 Basis of measurement

These consolidated financial statements have been prepared on the historical cost convention except for certain financial instruments which are stated at their fair values and obligation under certain employee retirement benefit funds including staff compensated absences which are measured at their present values as determined under the provisions of IAS-19, "Employee Benefits".

2.3 Basis of consolidation

Subsidiary is an entity over which the Company has the control and power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights or otherwise has power to elect and appoint more than one half of its directors. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The assets, liabilities, income and expenses of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the parent company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

Material intra-company balances and transactions have been eliminated for consolidation purposes

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

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

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.

Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

2.5 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

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

	Effective from Accounting period beginning on or after
Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with Convents along with Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on ' how entity accounts when there is long term lack of Exchangeability	January 01, 2025
Effective from Accounting period beginning on or after	
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards

The SECP vide SRO 1715 (I) / 2023 dated November 21, 2023 has directed the companies engaged in insurance/takaful and re-insurance/re-takaful to follow IFRS 17 from January 01, 2026.

- IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' has become applicable, however as an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below:

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(b) All other financial assets

As at December 31, 2023				
Fail the SPPI test		Pass the SPPI test		
Fair Value	Change in unrealized gain / (loss) during the period	Carrying Value	Cost less Impairment	Change in unrealized gain / (loss) during the period

Rupees in thousand

Financial assets

Cash and Bank*	-	-	317,796	-	-
Investment in equity securities -available-for-sale	470,061	16,413	-	-	-
Investment in debt securities - available-for-sale	-	-	210,025	-	-
Investment in debt securities - held to maturity	-	-	2,774,068	-	-
Loans and other receivables*	-	-	255,292	-	-
Total	470,061	16,413	3,557,181	-	-

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

3 MATERIAL ACCOUNTING POLICY INFORMATION

During the year, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

The accounting policies as set out below have been applied consistently to all periods presented in these consolidated financial statements.

3.1 Property and Equipment

These are stated at cost less accumulated depreciation and impairment losses, if any, except for capital work in progress which is stated at cost less impairment losses, if any. Depreciation is charged on depreciable amount over the estimated useful life using straight line method. Depreciation is charged on monthly basis where full month depreciation is charged in the month of addition and no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the profit and loss account in the year in which they are incurred. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

3.2 Intangible

Software development cost are only capitalized to the extent that future economic benefits are expected to flow to the entity. Intangible assets with finite useful lives are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged on the amortizable amount over the useful life of the asset by applying straight line method. Intangible assets with indefinite useful lives are stated at cost less impairment losses, if any.

3.3 Investment property

Investment Property is accounted for under cost model in accordance with approved International Accounting Standard (IAS) 40, "Investment Property" and S.R.O. 938 dated 12 December 2002 issued by the Securities and Exchange Commission of Pakistan.

Depreciation is charged on depreciable amount on straight line basis over its estimated useful life at the rate of 2.5% per annum.

NOTES TO AND FORMING PART OF THE **CONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31 DECEMBER 2023

Subsequent capital expenditures on existing properties and gains or losses on disposals are accounted for in the same manner as tangible fixed assets.

3.4 Insurance contracts

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

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

- Fire and property damage;
- Marine, aviation and transport;
- Motor;
- Health and accident; and
- Miscellaneous.

These contracts are normally one year insurance contracts except marine and miscellaneous classes. Normally all marine insurance contracts are of three months period. In miscellaneous class, some engineering insurance contracts are of more than one year period, whereas, normally travel insurance contracts and few bond insurance contracts in miscellaneous class expire within one month time.

These contracts are provided to all types of customers based on assessment of insurance risk by the Company. Normally personal insurance contracts e.g. vehicle, travel, personal accident, etc. are provided to individual customers, whereas, insurance contracts of fire and property, marine, aviation and transport, accident and health and other commercial line products are provided to commercial organizations.

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

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

Motor insurance provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident.

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

Liability insurance contracts protect the insured against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events.

Other various types of insurance are classified in miscellaneous category which includes mainly engineering, terrorism, personal accident, worker compensation, travel, products of financial institutions, livestock and crop insurance etc.

The Company also accepts insurance risk pertaining to insurance contracts of other insurer as reinsurance inward. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer.

Reinsurance contracts

Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant are reinsurance contracts. The Company enters into reinsurance contracts with both foreign and local reinsurers.

NOTES TO AND FORMING PART OF THE **CONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31 DECEMBER 2023

3.5 Deferred Commission Expense

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

3.6 Receivables and payables under insurance contracts

Receivable under insurance contracts are recognized 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 that impairment loss is recognized in the profit and loss account.

3.7 Reinsurance contracts held

The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same year as the related premiums for the direct or accepted reinsurance business being reinsured. Reinsurance premium is recognized as expense after taking into account the proportion of deferred premium expense which is calculated using pattern similar to calculation of premium income for the same policy. The deferred portion of premium expense is recognized as prepayment.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in the manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurance 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 contracts.

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

The Company assesses its reinsurance assets for impairment on balance sheet date. If there is any objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

Pakistan Reinsurance Company Limited (PRCL) retrocession business is booked on the basis of PRCL statements pertaining to the previous years.

3.8 Revenue Recognition

3.8.1 Premiums

Premium written under all insurance policies is recognized as income over the period of insurance from the date of issuance of policy to its expiry, after taking into account the unearned portion of premiums. Amount is recorded as premium written at the time the policy is written. Where the pattern of incidence of risk varies over the year of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. The portion of premium written relating to the unexpired year of coverage is recognized as unearned premium by the Company. The unearned premium is calculated by applying 1/365 method as specified in the Insurance Accounting Regulations, 2017.

Premium income includes administrative surcharge that represents documentation charges recovered by the Company from policy holders in respect of policies issued. Administrative surcharge is recognized as premium income at the time of issuance of policy.

3.8.2 Commission

Commission expense incurred on issuance of policies is deferred and recognized as asset and is recognized in the profit and loss account as an expense in accordance with pattern of recognition of premium revenue. Commission and other forms of revenue (apart from recoveries) from reinsurers are deferred and recognized as liability and recognized in the profit and loss account as revenue in accordance with the pattern of recognition of the reinsurance premium. Profit / commission, if any, under the terms of reinsurance arrangements, is recognized when the Company's right to receive the same is established.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3.8.3 Investment income

Following are recognized as investment income;

- Income from held to maturity investments is recognized on a time proportion basis taking into account the effective yield on the investments. The difference between the redemption value and the purchase price of the held to maturity investments is amortized and taken to the profit and loss account over the term of the investment.

- Dividend income on securities held for trading and available for sale securities and is recognized when the Company's right to receive the dividend is established

- Gain / loss on sale of available-for-sale investments is recognized in profit and loss account in the year of sale

3.9 Claim expense including provision for outstanding claims including Incurred But Not Reported

The Company recognizes liability in respect of all claims incurred up to 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 claims 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 as at 31 December 2023 is made on the basis of individual case estimates by using Chain Ladder Method (Development technique) on the basis of recommendation by an independent actuary under the guidelines issued by Insurance Division of SECP vide its Circular 9 of 2016 dated March 09, 2016 for estimation of IBNR claims reserve, which were effective from 01 July 2016.

Class of business	IBNR	
	Gross	Net
	Rupees in thousand	
- Fire and property damage;	4,129	941
- Marine, aviation and transport;	23,561	1,361
- Motor;	30,963	25,014
- Accident and health; and	220,900	207,058
- Miscellaneous.	46,964	5,253
	326,517	239,627

3.10 Reinsurance recoveries against claims

Claims recoveries receivables from the reinsurers are recognized as an asset at the same time as the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received in accordance with respective reinsurance arrangements.

3.11 Premium deficiency reserve

The Company is required as per the Insurance Accounting Regulations, 2017, 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 supplementary expenses expected to be incurred after the reporting date in respect of the unexpired policies in that class of business at the reporting date. The movement in the premium deficiency reserve is recorded as an expense in the statement of comprehensive income.

The Company determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired periods of the contracts. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned premium. The liability of premium deficiency in relation to accident and health insurance is calculated in accordance with the advice of the actuary.

NOTES TO AND FORMING PART OF THE **CONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31 DECEMBER 2023

No provision has been made as the unearned premium reserve for each class of business as at the year end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at reporting date.

3.12 Provision for unearned premium and prepaid reinsurance premium ceded

In accordance with the requirements of Insurance Rules, 2017, provision for unearned premium is calculated by applying 1/365 method. Unearned portion of premium is recognized as liability.

The deferred portion of reinsurance premium is recognized as reinsurance premium ceded using 1/365 method.

3.13 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the services received, whether or not billed to the Company.

Provisions are recognized 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 reporting date and adjusted to reflect the current best estimate.

3.14 Investments

3.14.1 Classification

The classification of financial assets is determined at initial recognition and depends on the purpose for which the financial assets were acquired. Currently, the financial assets of the Company are classified into the following categories:

a) In equity securities

Surplus / (deficit) arising on revaluation of quoted securities which are classified as available for sale investments is taken to a separate account which is shown in the statement of financial position as revaluation surplus. The surplus / (deficit) arising on these securities is taken to the profit and loss account when actually realized upon disposal or in case of impairment of securities. The unrealized surplus / (deficit) arising on revaluation of quoted securities which are classified as held for trading is taken to the profit and loss account. Provision for diminution in the values of securities is made after considering impairment, if any, in their value and is taken to profit and loss account. Impairment is booked when there is an objective evidence of significant or prolonged decline in the value of such securities. Unquoted investments are recorded at cost less accumulated impairment losses, if any.

b) In debt securities

These are investments with fixed or determinable payments and fixed maturities which the Company has the intention and ability to hold till maturity. Provision for impairment against debt securities is made in accordance with the requirements of the law. In case of unquoted equity securities, the breakup value of the security should be considered to determine impairment amount. Premium or discount on debt securities classified as available for sale and held to maturity is amortized using effective interest method and taken to the profit and loss account.

c) In term deposits

These are investments with fixed or determinable payments and fixed (short term) maturities which the Company has the intention and ability to hold till maturity.

Investments which are designated at fair value through profit or loss upon initial recognition.

3.14.2 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3.15 Taxation

Current

Provision of current tax is based on the 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 finalized during the current year for such years.

Deferred taxation

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences unused tax losses and tax credits can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized 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 other comprehensive income or equity in which case it is included in other comprehensive income or equity.

3.16 Employees' retirement benefits

a) Defined benefit plan

The Company operates a funded gratuity scheme covering all eligible employees completing the minimum qualifying year of service as specified by the scheme. The assets of the funded plan are held independently in a separate fund. Provision for gratuity is made to cover obligations under the scheme in accordance with the actuarial recommendations. The latest actuarial valuation was carried out as at 31 December 2023.

Actuarial valuation was carried out using the Projected Unit Credit Method based on the following significant assumptions:

	2023	2022
Discount rate	15.50% per annum	14.50% per annum
Expected return on plan assets	15.50% per annum	14.50% per annum
Expected rate of increase in salary	15.50% per annum	14.50% per annum
Average expected remaining working life time of the employee	8 years	8 years
Mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005

The Company recognizes the actuarial gains or losses in other comprehensive income in the year in which they arise.

b) Defined contribution plan

The Company operates a recognized staff provident fund as a defined contribution plan for all eligible employees. Equal monthly contributions are made both by the Company and the employees to the fund at the rate of 8.33% of basic salary. The Company's contribution is charged to income during the year.

c) Compensated absences

Provisions for compensated absences is recognized annually to cover the obligation for compensated absences and charged to profit and loss account. The provision is determined using the projected unit credit method.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The latest actuarial valuation was carried out as at 31 December 2023 based on the following significant assumptions:

	2023	2022
Discount rate	15.50% per annum	14.50% per annum
Expected rate of increase in salary	15.50% per annum	14.50% per annum
Average number of leaves accumulated per annum	5 days	5 days
Mortality rate	SLIC 2001 - 2005 with 1 year setback	SLIC 2001 - 2005 with 1 year setback

3.17 Management expenses

Management expenses have been allocated to various classes of business on equitable basis. Expenses not allocable to underwriting business are charged under other expenses.

3.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary share. 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.

3.19 Segment reporting

A business segment is a distinguishable component of the Company that is engaged in providing services that are subject to risks and returns that are different from those of other business segments. The Company accounts for segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Accounting Regulations, 2017. The reported operating segments are also consistent with the internal reporting provided to Strategy Committee and Board of Directors which are responsible for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment. The Company has following business segments:

Fire insurance segment provides insurance cover against damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation and impact.

Marine insurance segment provides coverage against cargo risk, war risk and damages occurring in inland transit.

Motor insurance provides comprehensive vehicle coverage and indemnity against third party loss.

Accident and health provides inpatient and outpatient medical coverage.

Miscellaneous insurance provides cover against burglary, loss of cash in safe and cash in transit, personal accident, money, engineering losses and other coverage.

Investment and income taxes are managed on an overall basis and are therefore, not allocated to any segment. Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets pertaining to two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

3.20 Foreign currency transactions

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are routed through profit and loss account.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

3.21 Finance income

Finance income comprises interest income on funds invested, dividend income, exchange gain and changes in the fair value of financial assets at fair value through profit or loss - held for trading. Income on bank deposits is accrued on a time proportion basis using effective rate of interest. Income on investments is recognized on time proportion basis taking into account the effective yield of such securities. Dividend income on equity investments is recognized when the right to receive the payment is established. Foreign currency gains and losses are reported on a net basis.

3.22 Impairment of assets

a) Non-derivative financial assets

All financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers and economic conditions that correlate with defaults or the disappearance of an active market for a security.

The Company considers evidence of impairment for financial assets measured at amortized cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in as allowance against financial asset measured at amortized cost. Interest on the impaired asset is recognized only to the extent it is considered recoverable. When an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.23 Right of use assets and lease liability

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly lease properties for its operations and recognizes a right-of use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of the right-of-use asset or end of lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate of the Company. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Company has elected not to recognize right-of-use assets and lease liabilities for short term and low value assets. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term. The right-of-use assets are presented in the same line item as it presents underlying assets for the same nature it owns.

3.24 Dividend Distribution

Cash dividends declared, bonus shares issued and other reserves' appropriations are recognized in the year in which these announcements or appropriations are made.

3.25 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the requirements of accounting and reporting standards as applicable to insurance companies in Pakistan requires management to make judgements/estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These judgements/estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from their estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

In particular, the matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed below:

a) Income tax

In making the estimates for income taxes currently payable by the Company, the management takes into account current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Company's future taxable profits are taken into account.

b) Fixed assets, depreciation and amortization

In making estimates of the depreciation / amortization method, the management uses depreciation / amortization rate which reflects the pattern in which economic benefits are expected to be consumed by the Company. These rates are reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the depreciation / amortization rates would be changed to reflect the change in pattern. Further, the assets' residual values are reviewed and adjusted if appropriate, at each financial year end.

NOTES TO AND FORMING PART OF THE **CONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31 DECEMBER 2023

c) Outstanding claims including incurred but not reported (IBNR)

The liability for IBNR is computed through Chain Ladder Method (Development technique) in light of the guidelines issued by Insurance Division of SECP vide its Circular 9 of 2016 dated March 09, 2016 for estimation of IBNR claims reserve, the liability for IBNR for all classes of business is based on actuary recommendation. Any significant change in assumption used event may affect the management's judgement which could affect the provision made for IBNR. Reinsurance recoveries against outstanding claims and salvage recoveries are recognized as an asset and are measured at the amount expected to be received.

d) Premium deficiency reserves

The Company carries out an analysis of loss / combined ratios for the expired year, such ratio being calculated after taking into account the relevant IBNR provision for the determination of premium deficiency reserve for each class of business.

e) Defined benefit plan

Defined benefit plan is provided to eligible employees of the Company. Calculations in this respect require assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration, the expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

f) Impairment

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Provisions for impairment are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

g) Provision against premium due but unpaid & amount due from other insurers/reinsurers

The Company reviews its premium due but unpaid and amounts due from other insurers / reinsurers portfolio to assess their recoverability and provision required there-against. While assessing this requirement, various factors including the delinquency and financial position of the counter party are considered.

h) Classification of investments

In classifying investments as "fair value through profit and loss" the Company has determined securities which are acquired with the intention to trade by taking advantage of short term market / interest rate movements.

In classifying investments as "held-to-maturity" the Company has determined financial assets with fixed or determinable payments and fixed maturity. In making this judgement, the Company evaluates its intention and ability to hold such investments to maturity.

The investments which are not classified as fair value through profit and loss or held to maturity are classified as available for sale.

i) Allocation of management expenses

Management expenses which are not specifically related to a class of business are allocated on all classes of business on equitable basis.

j) Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

k) Fair value of investments

The fair value of held for trading and available for sale investments is determined by reference to their quoted closing repurchase price at the reporting date. Any change in the estimate might effect carrying amounts of investments held for trading with corresponding effect in profit and loss account. Fair value of held to maturity instruments is determined with reference to general interest rates prevailing in the market. Fair value of held to maturity investments is determined for disclosure purpose only.

l) Lease term

The Company applies judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liability and right of use assets recognized.

		2023	2022
	Note	Rupees in thousand	
5	PROPERTY AND EQUIPMENT		
	Capital work-in-progress	9,673	7,114
	Operating assets	342,644	409,940
	Operating assets	352,317	417,054
5.1	Movement in Capital work-in-progress is as follows:		
	Opening balance	7,114	4,353
	Additions	2,571	-
	Transfers	(12)	2,761
	Closing balance	9,673	7,114

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

5.2 Operating assets

		Rupees in thousand											
		2023					2022						
Note		Cost		Depreciation		Written down value as at 31 December	Useful life / Lease term (years)	Cost		Depreciation		Written down value as at 31 December	Useful life / Lease term (years)
		As at 1 January	Additions / (Disposals)	Adjustments	As at 31 December			As at 1 January	For the period	(Disposals) / Adjustments	As at 31 December		
5.2.1	Building	146,412	-	-	146,412	14,648	3,660	-	18,308	128,104	40		
	Furniture and fixtures	28,147	2,677	-	30,824	19,976	3,110	(189)	22,897	7,928	5		
	Computers and office equipment	66,651	4,289	-	70,940	52,049	9,240	(967)	60,322	10,618	3		
	Motor vehicles (Owned)	24,179	1,858	-	26,037	19,223	2,239	579	22,041	3,996	5		
	Right of use assets - Motor vehicles	215,021	(29,733)	-	185,288	90,038	38,486	(29,327)	99,197	86,091	5		
	Right of use assets - Rental properties	189,863	(2,173)	-	187,690	93,206	29,105	(9,209)	113,102	74,588	2 to 20		
	Tracking devices	114,358	19,392	-	133,750	90,475	15,460	(2,657)	103,278	30,473	3		
	Leasehold improvements	37,462	-	-	37,462	32,538	4,078	-	36,616	846	3		
		822,093	(3,690)	-	818,403	412,153	105,378	(41,770)	475,760	342,644			
		Rupees in thousand											
		2023					2022						
5.1.1	Building	146,412	-	-	146,412	10,988	3,660	-	14,648	131,764	40		
	Furniture and fixtures	28,719	(572)	-	28,147	23,205	2,925	(6,154)	19,976	8,171	5		
	Computers and office equipment	78,534	(11,883)	-	66,651	69,068	8,132	(25,151)	52,049	14,602	3		
	Motor vehicles (Owned)	24,506	(327)	-	24,179	16,581	3,252	(610)	19,223	4,956	5		
	Right of use assets - Motor vehicles	180,766	34,235	-	215,021	76,263	35,906	(22,131)	90,038	124,983	5		
	Right of use assets - Rental properties	188,618	1,245	-	189,863	62,512	27,426	3,268	93,206	96,657	2 to 20		
	Tracking devices	98,681	15,677	-	114,358	83,524	10,558	(3,607)	90,475	23,883	3		
	Leasehold improvements	37,462	-	-	37,462	26,960	5,578	-	32,538	4,924	3		
		783,718	38,375	-	822,093	369,101	97,437	(54,385)	412,153	409,940			

5.1.1 This represents the carrying value of one office located at 8th Floor of Askari Tower, Lahore. The total area of the office is 5,460 square feet.

5.1.2 Cost of fully depreciated assets that are still in use as at December 31, 2023 is Rs. 118,635 thousand (2022: Rs. 186,538 thousand)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

7	INVESTMENT PROPERTY	2023	2022
	This represents the carrying amount of two offices in Islamabad Stock Exchange building, classified as investment property based on the management's intention to hold the property for earning rentals and / or capital appreciation.		
		Rupees in thousand	
	Cost		
	Balance at beginning of the year	52,400	52,400
	Balance at end of the year	52,400	52,400
	Depreciation		
	Balance at beginning of the year	(15,829)	(14,519)
	Depreciation for the year	(1,310)	(1,310)
	Balance at end of the year	(17,139)	(15,829)
		35,261	36,571
	Useful life (years)	40	40

7.1 The market value of the investment property as on 31 December 2023 is Rs. 136.24 million (2022: Rs. 117.9 million) as per valuation carried out by an independent valuer. Useful life of the investment property is estimated to be 40 years.

7.2 The amount of depreciation has been allocated to management expenses.

8	INVESTMENTS IN EQUITY SECURITIES	Note	2023	2022
			Rupees in thousand	
	Fair value through profit and loss	8.1	262,784	100,397
	Available-for-sale	8.2	470,061	241,591
	Total equity securities		732,845	341,988

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		Number of shares / units		2023		2022	
		2023	2022	Cost	Carrying value	Cost	Carrying value
		Rupees in thousand					
8.1	Fair value through profit and loss						
	Mutual funds						
	Related Party						
	Army Welfare Trust (AWT) financial sector fund	-	998,443	-	-	100,306	100,397
	Army Welfare Trust (AWT) Islamic Income fund	2,490,833	-	261,271	262,784	-	-
		2,490,833	998,443	261,271	262,784	100,306	100,397
		2023			2022		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		Rupees in thousand					
8.2	Available-for-sale						
	Others						
	Listed shares	453,648	(36,648)	417,000	312,120	(34,972)	277,148
	Unrealized (deficit)/surplus on revaluation	-	-	53,061	-	-	(35,557)
		453,648	(36,648)	470,061	312,120	(34,972)	241,591

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023			2022		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	Rupees in thousand					
Listed shares						
Artistic Denim Mills Limited	1,689	-	1,689	-	-	-
Askari Bank Limited	-	-	-	3,993	-	3,993
Attock Refinery Limited	24,976	-	24,976	-	-	-
Biafo Industries Limited	1,149	-	1,149	-	-	-
D.G. Khan Cement Company Limited	1,328	-	1,328	-	-	-
Fauji Cement Company Limited	14,608	-	14,608	1,571	-	1,571
Faysal Bank Limited	5,333	-	5,333	676	-	676
Ghani Global Holdings Ltd. Consolidated	19,142	-	19,142	-	-	-
GlaxoSmithKline Pakistan Limited	1,178	(575)	603	1,178	(476)	702
Habib Bank Limited	35,874	(15,481)	20,393	35,874	(15,481)	20,393
Honda Atlas Cars (Pakistan) Limited	7,662	(4,614)	3,048	7,662	(2,176)	5,486
Indus Motor Company Limited	5,013	-	5,013	-	-	-
Interloop Limited	4,703	-	4,703	-	-	-
International Industries Limited	25,057	-	25,057	3,314	-	3,314
International Steels Limited	2,337	-	2,337	3,768	-	3,768
Lucky Cement	-	-	-	9,429	-	9,429
MCB Bank Limited	125,894	-	125,894	129,021	-	129,021
Millat Tractors Limited	23,163	-	23,163	-	-	-
Netsol Technologies Limited	29,008	-	29,008	-	-	-
National Refinery Limited	-	-	-	3,210	-	3,210
Nishat Mills Limited	-	-	-	2,796	-	2,796
Oil & Gas Development Company	17,176	-	17,176	24,313	-	24,313
Pak Suzuki Motor Company Limited	-	-	-	18,036	(6,083)	11,953
Pakistan Oilfields Limited	6,445	-	6,445	-	-	-
Pakistan Petroleum Limited	-	-	-	19,850	-	19,850
Pakistan State Oil Company Limited	30,006	(14,243)	15,763	30,006	(9,560)	20,446
SAZEW Engineering Works Limited	25,986	-	25,986	-	-	-
Sui Northern Gas Pipeline Limited	-	-	-	6,484	-	6,484
System Limited	11,236	-	11,236	-	-	-
The Hub Power Company Limited	7,373	-	7,373	-	-	-
The Searl Company Limited	2,741	(1,735)	1,006	2,741	(1,196)	1,545
Treet Corporation Limited	698	-	698	-	-	-
United Bank Limited	23,873	-	23,873	8,198	-	8,198
	453,648	(36,648)	417,000	312,120	(34,972)	277,148
Unrealized surplus / (deficit) on revaluation			53,061			(35,557)
			470,061			241,591

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

9		INVESTMENTS IN DEBT SECURITIES					
		2023			2022		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
Note		Rupees in thousand					
HELD TO MATURITY							
Government Securities							
Pakistan Investment Bonds	9.1	1,749,454	-	1,749,454	2,172,187	-	2,172,187
Treasury Bills	9.2	-	-	-	342,340	-	342,340
Ijarah Sukuks	9.3	1,024,614	-	1,024,614	-	-	-
		2,774,068	-	2,774,068	2,514,527	-	2,514,527
AVAILABLE-FOR-SALE							
Term Finance Certificates	9.4	160,000	-	160,000	160,000	-	160,000
Sukuks	9.5	50,025	-	50,025	75,025	-	75,025
Unrealized surplus on revaluation		-	-	-	-	-	293
		210,025	-	210,025	235,025	-	235,318
LOANS AND RECEIVABLES							
Certificates of Investments		11,128	(11,128)	-	11,128	(11,128)	-
		2,995,221	(11,128)	2,984,093	2,760,680	(11,128)	2,749,845
9.1 Pakistan Investment Bonds							
Face Value	Profit Rate %	Profit Payment	Type of Security	Maturity Date	2023	2022	
Rupees					Rupees in thousand		
50,000,000	8.75%	On Maturity	Pakistan Investment Bonds	12-Jul-28	42,164	40,973	
37,500,000	8.75%	On Maturity	Pakistan Investment Bonds	12-Jul-28	31,656	30,767	
25,000,000	9.50%	On Maturity	Pakistan Investment Bonds	19-Sep-24	24,529	23,927	
25,000,000	8.00%	On Maturity	Pakistan Investment Bonds	10-Dec-30	22,570	22,336	
50,000,000	9.50%	On Maturity	Pakistan Investment Bonds	19-Sep-24	50,037	50,071	
150,000,000	9.50%	On Maturity	Pakistan Investment Bonds	19-Sep-24	149,927	149,789	
200,000,000	7.00%	On Maturity	Pakistan Investment Bonds	20-Aug-23	-	197,429	
120,000,000	7.50%	On Maturity	Pakistan Investment Bonds	15-Oct-25	115,623	113,481	
50,000,000	8.00%	On Maturity	Pakistan Investment Bonds	10-Dec-30	44,705	44,199	
200,000,000	7.00%	On Maturity	Pakistan Investment Bonds	20-Aug-23	-	198,148	
350,000,000	7.50%	On Maturity	Pakistan Investment Bonds	15-Oct-25	341,028	336,597	
175,000,000	7.50%	On Maturity	Pakistan Investment Bonds	15-Oct-25	170,459	168,217	
200,000,000	8.00%	On Maturity	Pakistan Investment Bonds	10-Dec-30	183,024	181,368	
100,000,000	8.00%	On Maturity	Pakistan Investment Bonds	10-Dec-30	91,421	90,584	
70,000,000	7.00%	On Maturity	Pakistan Investment Bonds	20-Aug-23	25,000	69,379	
140,000,000	7.50%	On Maturity	Pakistan Investment Bonds	15-Oct-25	136,262	134,418	
60,000,000	8.00%	On Maturity	Pakistan Investment Bonds	10-Dec-30	54,544	54,015	
240,000,000	9.50%	On Maturity	Pakistan Investment Bonds	19-Sep-24	240,795	241,755	
30,000,000	7.50%	On Maturity	Pakistan Investment Bonds	29-Apr-27	25,710	24,734	
					1,749,454	2,172,187	

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

9.1.1 These carry interest at effective rate of 9.06% to 13.49% per annum (2022: 8.49% to 13.49% per annum) and will mature by 10 December 2030 (2022: 10 December 2030). Market value of PIBs carried at amortised cost amounts to Rs. 1,646.85 million (2022: Rs.2,276.06 million).

9.1.2 Pakistan investment bonds are placed as statutory deposit with State Bank of Pakistan in accordance with the requirements of clause (a) of sub section 2 of section 29 of Insurance Ordinance, 2000.

9.2 Treasury Bills						
Face Value	Profit Rate %	Profit Payment	Type of Security	Maturity Date	2023	2022
Rupees					Rupees in thousand	
75,000,000	15.67%	Maturity	Treasury Bills	12-Jan-23	-	72,389
175,000,000	15.70%	Maturity	Treasury Bills	26-Jan-23	-	168,898
105,000,000	16.97%	Maturity	Treasury Bills	9-Mar-23	-	101,053
					-	342,340

9.3 Ijara Sukuk						
Face Value	Profit Rate %	Profit Payment	Type of Security	Maturity Date	2023	2022
Rupees					Rupees in thousand	
100,000,000	23.60%	Maturity	Ijara Sukuk	17-Apr-24	100,003	-
250,000,000	22.56%	Maturity	Ijara Sukuk	26-Jun-24	250,017	-
125,000,000	22.79%	Maturity	Ijara Sukuk	20-Sep-24	125,000	-
250,000,000	22.79%	Maturity	Ijara Sukuk	20-Sep-24	250,003	-
75,000,000	22.87%	Maturity	Ijara Sukuk	26-Jun-28	74,789	-
150,000,000	22.87%	Maturity	Ijara Sukuk	26-Jun-28	149,638	-
75,000,000	22.87%	Maturity	Ijara Sukuk	26-Jun-28	75,164	-
					1,024,613	-

9.3.1 These carry interest at effective rate of 22.62% to 23.00% per annum (2022: nil) and will mature by 26 June 2028 (2022: nil). Market value of Ijara Sukuk carried at amortised cost amounts to Rs. 677.148 million (2022: Rs.nil).

9.4 Term Finance Certificates						
Number of certificates		Credit rating	Mark up Rate	Investee name	Value of Certificates	
2023	2022				2023	2022
					Rupees in thousand	
15,000	15,000	AA	6-M KIBOR Plus 150 bps	Bank Al Habib	75,000	75,000
15,000	15,000	AA	6-M KIBOR Plus 150 bps	Bank Alfalah	75,000	75,000
2,000	2,000	A	6-M KIBOR Plus 200 bps	Soneri Bank	10,000	10,000
					160,000	160,000

9.4.1 The term finance certificates have a maturity of ten years and are maturing on 05 January 2028 to 20 December 2028 (2022: 05 January 2028 to 20 December 2028)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

9.5		Sukuks					
		Number of certificates		Mark up Rate	Investee name	Value of Certificates	
		2023	2022			2023	2022
						Rupees in thousand	
		50	50	Based on Monthly Shariah Pool	Meezan Bank Limited	50,025	50,025
		-	500	3-M KIBOR Plus 190 bps	The Hub Power Company Limited	-	25,000
				Cost of certificates		50,025	75,025
				Unrealized surplus / (deficit) on revaluation		-	293
				Carrying value		50,025	75,318
						2023	2022
				Note	Rupees in thousand		
10	LOANS AND OTHER RECEIVABLES						
	Sundry receivables			10.1		177,338	143,977
	Advances to employees			10.2		356	347
	Staff house building finance			10.3		3,096	3,129
	Accrued investment income					74,502	57,831
						255,292	205,284
10.1	Sundry receivables						
	Security deposits					18,619	16,921
	Advances to suppliers - unsecured, considered good					2,998	3,373
	Receivable against sale of laptops					2,053	5,292
	Receivable against sale of vehicles					611	611
	Deposit against vehicles Ijarah					24,500	28,406
	Health Claim recoverable					21,689	21,557
	Earnest money					91,841	49,028
	Other receivables - unsecured, considered good					19,565	18,789
						181,876	143,977
						(4,538)	-
						177,338	143,977

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10.2 These represent short term interest free advances given in accordance with terms of employment. These are secured and considered good. The maximum amount due from executives at the end of any month during the year was Rs. Nil (2022: Rs. Nil) and outstanding balance at 31 December 2023 is Rs. Nil (2022: Rs. Nil).

10.3 These represent housebuilding finance loans given to employees in accordance with terms of employment. Interest is charged at the rate of 6 months KIBOR. These are secured and considered good.

		2023	2022
		Rupees in thousand	
10.4	Accrued investment income		
	Accrued investment income	68,686	56,393
	Accrued rental income	5,081	1,311
	Accrued Income on call center	734	-
	Accrued profit	-	127
		74,501	57,831

		2023	2022
	Note	Rupees in thousand	
11	INSURANCE / REINSURANCE RECEIVABLES		
	Due from insurance contract holders	1,413,449	1,336,412
	Less: provision for impairment of receivables from insurance contract holders	(15,640)	(9,965)
		1,397,809	1,326,447
	Due from other insurers / reinsurers	72,237	149,051
	Less: provision for impairment of receivables from other insurers / reinsurers	(5,588)	(619)
		66,649	148,432
		1,464,458	1,474,879

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

11.1 Due from insurance contract holders

This includes premium amounting to Rs.3,282 thousand (2022: Rs. 2,712 thousand) and Rs.114,187 thousand (2022: Rs. 81,627 thousand) receivable from the Parent and associated undertakings respectively, the movement of which is as follows:

	2023	2022
	Rupees in thousand	
Receivable from parent:		
Balance at beginning of the year	2,712	2,611
Insurance premium written (including government levies, administrative surcharge and policies stamps)	12,209	10,619
Premium received during the year	(11,639)	(10,518)
Balance at end of the year	3,282	2,712
Payable / (Receivable) from subsidiary:		
Balance at beginning of the year	(5,003)	(599)
Insurance premium written (including government levies, administrative surcharge and policies stamps)	1,022	1,044
Services acquired	29,779	74,537
Paid during the year	(39,216)	(79,985)
Balance at end of the year	(13,418)	(5,003)
Receivable from associated undertakings:		
Balance at beginning of the year	81,627	78,077
Insurance premium written (including government levies, administrative surcharge and policies stamps)	217,484	147,782
Premium received during the year	(184,924)	(144,232)
Balance at end of the year	114,187	81,627
11.2 Provision for doubtful balances		
Balance at beginning of the year	9,965	10,174
Provision made / (reversed) during the year	5,675	(209)
Balance at end of the year	15,640	9,965

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	Rupees in thousand	
11.3	Age analysis of amounts receivable from related parties:	
	Receivable from parent:	
Up to 1 year	3,021	2,457
1 to 2 years	261	228
2 to 3 years	-	27
	3,282	2,712
	Receivable from associated undertakings:	
Up to 1 year	111,019	79,314
1 to 2 years	3,036	1,463
2 to 3 years	133	850
	114,188	81,627
11.4	Due from other insurers / reinsurers	
Considered good	66,649	148,432
Considered doubtful	5,588	619
	72,237	149,051
Provision for doubtful balances	(5,588)	(619)
	66,649	148,432
11.5	Provision for doubtful balances	
Balance at beginning of the year	619	5,392
Provision made during the year	4,969	(4,773)
Balance at end of the year	5,588	619

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12 RETIREMENT BENEFIT OBLIGATIONS

The company operates an approved gratuity scheme for all employees. The eligible employees under the scheme are 335 (2022 : 327). The latest actuarial valuation of gratuity scheme was carried out as at December 31, 2022 under the Projected Unit Credit Method as per the requirements of approved accounting standard - International Accounting Standard 19, the details of which are as follows:

		2023	2022
	Note	Rupees in thousand	
12.1	Amount recognized in the balance sheet		
	Present value of defined benefit obligation	251,385	212,020
	Benefits due but not paid during the year	2,074	4,012
		253,459	216,032
	Fair value of plan assets	(244,421)	(185,357)
	Net liability at end of the year	9,038	30,675
12.2	Movement in liability recognized in balance sheet		
	Balance at beginning of the year	30,675	40,109
	Expense for the year	18,089	19,113
	Actuarial (gain) / loss recognized in other comprehensive income	(9,843)	(3,015)
		38,921	56,207
	Contributions to the fund during the year	(29,883)	(25,532)
	Balance at end of the year	9,038	30,675
12.3	Reconciliation of the present value of defined benefits obligation		
	Present value of obligations as at beginning of the year	212,020	178,024
	Current service cost	16,389	16,378
	Interest cost	30,045	20,597
	Benefits paid	(6,924)	(2,972)
	Benefits due but not paid	(771)	(2,507)
	Actuarial (gain) / loss	626	2,500
	Present value of obligations as at end of the year	251,385	212,020

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
12.4	Movement in the fair value of plan assets	Rupees in thousand	
	Fair value of plan assets as at beginning of the year	185,357	141,982
	Interest income on plan assets	28,345	17,861
	Contribution to the fund	29,883	25,532
	Benefits paid	(9,633)	(5,533)
	Actuarial gain / (loss)	10,469	5,515
	Fair value of plan assets as at end of the year	244,421	185,357

12.5	Expense for the year		
	Current service cost	16,389	16,378
	Interest cost	30,045	20,596
	Interest income on plan assets	(28,345)	(17,861)
	Expense for the year	18,089	19,113

12.6 The estimated charge to profit & loss account for the defined benefit plan for the year ending December 31, 2024 is Rs. 23,407 thousand and expected contribution for the year ending 31, 2024 is Rs 12,163 thousands.

	2023		2022	
	Fair value	Percentage	Fair value	Percentage
	Rupees in thousand	%	Rupees in thousand	%
Debt instruments	151,804	62%	22,442	12%
Cash and bank balances	21,668	9%	639	0%
Mutual funds	70,949	29%	162,277	88%
Fair value of plan assets	244,421	100%	185,358	100%

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12.8 Comparison of present value of defined obligation, fair value of plan assets and surplus / (deficit) of gratuity fund for the last four years:

	2023	2022	2021	2020	2019
Rupees in thousand					
Present value of defined					
benefit obligation	251,385	212,020	178,024	142,393	124,970
Fair value of plan assets	(244,421)	(185,357)	(141,982)	(108,435)	(89,814)
Deficit	6,964	26,663	36,042	33,958	35,156
Effect of remeasurement:					
- Actuarial (gain) / loss on					
experience adjustment					
on obligation	626	2,500	14,483	1,488	(2,409)
- Actuarial (loss) / gain on					
on plan assets	10,469	5,515	(3,528)	(2,046)	(9,262)

12.9 Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumption used. The following table summarizes the impact on the defined benefit obligation at the end of the reporting period as a result of a change in the respective assumptions by one percent.

	Increase / decrease in defined benefit obligation			
	2023		2022	
	Rupees in thousand			
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	233,387	272,623	195,693	230,689
Future salary growth	272,652	232,964	230,719	195,374

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12.10 Significant Actuarial Assumption

The following significant assumptions have been used for valuation of this scheme:

	2023	2022
	per annum	
a) Expected rate of increase in salary level	15.50%	14.50%
b) Discount rate	15.50%	14.50%

12.11 Risks

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk, final salary risk, asset volatility, withdrawal and market (investment) risk.

13 STAFF COMPENSATED ABSENCES

The company provides leave encashment plan to all employees. The eligible employees under the scheme are 335 (2022 : 327). The latest actuarial valuation of leave encashment was carried out as at December 31, 2023 under the Projected Unit Credit Method as per the requirements of approved accounting standard - International Accounting Standard 19, the details of which are as follows:

		2023	2022
	Note	Rupees in thousand	
	13.1	50,871	44,185
13.1 Movement in liability			
Balance at beginning of the year		44,185	38,633
Charge for the year	13.1.1	9,176	7,526
Benefits paid		(2,490)	(1,974)
Balance at end of the year		50,871	44,185
13.1.1 Charge for the year			
Current service cost		3,311	3,150
Interest cost		6,226	4,423
Actuarial loss / (gain) on experience adjustment		(361)	(47)
		9,176	7,526

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
14	DEFERRED TAXATION	Rupees in thousand	
	Deferred tax asset in respect of:		
	On deductible temporary differences		
	- Provision for impairment in loans and receivables investments	4,340	3,673
	- Effect of remeasurement of staff retirement benefit plans	1,414	5,253
	- Unrealized losses on AFS investments	-	11,637
	- Provision against premium due but unpaid	6,100	3,287
	- Provision against amounts due from other insurers / reinsurers	2,179	204
	- Provision for diminution in value of AFS investments	14,293	11,540
	- Provision against health claims excess receivable	1,770	-
	- Others	62	730
	On taxable temporary differences		
	- Unrealized gains on AFS investments	(20,694)	-
	- Right of use assets net of lease liability	(1,030)	
		8,434	36,324
14.1	Movement in deferred tax balances is as follows:		
	As at January 01	36,324	21,945
	Recognized in profit & loss account:		
	- Provision for impairment in loans and receivables investments	667	446
	- Provision against premium due but unpaid	2,813	337
	- Provision against amounts due from other insurers / reinsurers	1,975	(1,359)
	- Provision for diminution in value of AFS investments	2,753	11,540
	- Provision against health claims excess receivable	1,770	-
	- Right of use assets net of lease liability	(1,030)	
	- Others	(668)	730
	Recognized in OCI:		
	- Effect of remeasurement of staff retirement benefit plans	(3,839)	(995)
	- Unrealized (gains) / losses on AFS investments	(32,331)	3,681
	As at December 31	8,434	36,324

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
		Rupees in thousand	
15	PREPAYMENTS		
	Prepaid reinsurance premium ceded	645,855	665,084
	Prepaid rent	3,725	2,624
	Others	5,201	5,252
		654,781	672,960
16	CASH AND BANK		
	Cash & cash equivalents:		
	Cash in hand	1,642	1,621
	Policy & Revenue stamps, Bond papers	1,388	762
		3,030	2,383
	Cash at bank:		
	Current accounts	34,227	24,663
	Deposit accounts - local currency	17.1	280,539
		314,766	293,363

16.1 These carry an annual effective markup rate ranging from 7% to 20.5% (2022 : 3.7% to 14.5%).

16.2 During the year, the Company has obtained running finance facility of Rs. 300,000 thousand from Bank Al Habib Limited at 3 months average KIBOR + 0.4%, prevailing on the date of disbursement. Tenor of the facility is one year. 110% lein is marked over market value of Pakistan Investment Bonds as security procured through Bank Al Habib's account maintained at Pak Oman Investment Bank.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

17	SHARE CAPITAL		2023	2022
17.1	Authorized Capital		Rupees in thousand	
	100,000,000	Ordinary shares of Rs. 10 each	1,000,000	1,000,000
17.2	Issued, subscribed and paid-up share capital			
			2023	2022
	Number of shares		Rupees in thousand	
		Ordinary shares of Rs. 10 each issued as:		
	24,358,699	24,358,699 - fully paid cash shares	243,587	243,587
	47,543,196	47,543,196 - fully paid bonus shares	475,432	475,432
	71,901,895	71,901,895	719,019	719,019
17.3	Army Welfare Trust (AWT) and directors hold 42,589,729 (2022: 42,600,734) and 533,030 (2022: 545,939) ordinary shares of the Company respectively at the year end.			
			2023	2022
	Note		Rupees in thousand	
18	RESERVES			
	Capital reserve			
	Share premium		121,161	121,161
	Revenue reserves			
	General reserves		70,000	70,000
	AFS Revaluation reserve		32,652	(23,923)
			102,652	46,077
			223,813	167,238
19	LEASE LIABILITIES			
	Lease liability - rental properties		92,845	112,202
	Lease liabilities - vehicles	19.1	65,193	87,552
			158,038	199,754

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

19.1 Liabilities against assets - secured

	2023			2022		
	Minimum lease payments	Financial charges for future periods	Present value of minimum lease payments	Minimum lease payments	Financial charges for future periods	Present value of minimum lease payments
Rupees in thousand						
Not later than one year	76,506	21,526	54,980	80,398	23,824	56,785
Later than one year and not later than five years	93,969	27,304	66,665	141,624	30,832	110,792
Later than five years	56,953	20,560	36,393	52,688	20,510	32,177
	227,428	69,390	158,038	274,710	75,166	199,754

19.2 Interest rate used in calculation of lease liability is 6-months KIBOR + 0.7% for vehicles and 1-year KIBOR + 1% for rental properties.

	Note	2023	2022
		Rupees in thousand	
20	INSURANCE / REINSURANCE PAYABLES		
	Amount due to other insurers	709,549	604,421
	Amount due to foreign reinsurers	179,980	429,688
		889,529	1,034,109
21	OTHER CREDITORS AND ACCRUALS		
	Agents' commission payable	104,427	78,762
	Tax deducted at source	8,754	5,282
	Federal excise duty / federal insurance fee	47,103	76,727
	Accrued expenses	36,746	11,623
	Fund received against leased vehicle	21.1	16,080
	Fund received against vehicle ljarah	21.1	10,869
	Unearned rental income	6,646	2,376
	Others	57,251	58,883
		287,876	269,786
21.1	Funds received from executives		
	Fund received against leased vehicle	7,870	9,589
	Fund received against vehicle ljarah	6,086	5,472
		13,956	15,061

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

22	CONTINGENCIES AND COMMITMENTS
22.1	Contingencies
22.1.1	The Assistant Commissioner Inland Revenue Unit VII, Range III, Zone II Large Taxpayer Unit, Islamabad framed an order under section 161/205 of the Ordinance raising an income tax demand of Rs. 4.25 million for alleged non-withholding of income tax on payments made in relation to various account heads for the Tax Year 2015. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [the CIR(A)] against the impugned order. The CIR(A) confirmed the demand raised through the order. Being aggrieved with the order of the CIR(A), the Company filed second appeal before the Appellate Tribunal Inland Revenue [the Tribunal], which is subjudice till date. Based on the facts of the case the Company is hopeful that appeal will be decided in its favour.
22.1.2	Income tax assessments for Assessment Years 1996-1997 to 1999-2000 were finalized by the tax authorities mainly by curtailing management expenses and thereby raising income tax demand aggregating to Rs. 6.6 million. On appeals filed by the Company, these assessments were set aside by the Tribunal. The Company has filed reference applications to the High Court on question of admissibility of management expenses for the Assessment Years 1996-1997 to 1999-2000. The management of the Company firmly believes that the matter will be decided in their favour.
22.1.3	The Commissioner Inland Revenue Zone II, Large Taxpayer Unit, Islamabad selected case of the Company for Audit for the Tax Year 2015 under section 177 of the Ordinance and required the Company to furnish records/documents for the relevant period. The Company filed a constitutional writ petition to challenge the selection process for Audit before the Islamabad High Court [IHC] on 19 January 2018 which petition was dismissed on 02 February 2023 by the IHC. As a result of which the IR authority has resumed the Audit proceedings. The Company has filed a reply for partial compliance and is in the process of compiling the requisite information and has requested for extension in time to comply with the Notice.
22.1.4	Taxation officer of Sindh Revenue Board [SRB] framed the Order-in-Original No. 285 of 2022 dated 11 February 2022 raising a demand of Rs. 288.13 million on account of non-payment of Sindh Sales Tax [SST] on reinsurance premiums and commission from reinsurer for the period January 2014 to December 2015. The Company has filed an appeal before the Commissioner (Appeals), SRB which is subjudice till to date.
22.1.5	Taxation officer of SRB issued show cause notice No. 81802 dated 28 January 2022 thereby confronting the Company on alleged short declaration of insurance premiums and short payment of SST thereon. The Company had obtained stay from the Sindh High Court against the proceedings initiated through the show cause notice.
22.1.6	Taxation officer of SRB raised observation on account of claiming inadmissible input tax adjustment of Rs. 1,699,449 and short payment of withheld SST amounting to Rs. 503,906 on services received by the Company during the tax periods January 2020 to December 2021. The Company has filed a comprehensive reply against the notice. There is no further progress on the matter till date.
22.1.7	Additional Commissioner of Punjab Revenue Authority [PRA] raised observation on claim of inadmissible input tax adjustment of Rs. 12,813,614 during the tax periods July 2014 to October 2022. The Company explained its position through our letter dated 29 May 2023 to the Officer, however there is no further progress on the matter.
22.1.8	The Deputy Commissioner Inland Revenue, Audit Unit-V, Large Taxpayer's Unit, Islamabad issued an Order-in-Original No. 04/2020 dated 31 December 2020 raising a demand of Rs. 1.39 million on account of inadmissible claim of input tax credit and short payment of Federal Excise Duty for the tax period 2017. The Company preferred an appeal before the CIR(A) who deleted the tax demand to the extent of Rs. 9,277 and upheld the remaining tax demand through Order-in-Appeal No. 06 dated 12 July 2021. Being aggrieved with the appellate Order of the CIR(A), the Company has filed an appeal before the Tribunal which is pending disposal till date. The Company has deposited total of 15% of the impugned tax demand to avail stay against the recovery of the impugned tax demand.
22.1.9	The Company filed writ petition before the Honorable Lahore High Court [LHC]. The LHC, through its Order No. W.P.No.75277/2022 dated 02 January 2023, allowed the Company to file the return of total income for the Tax Year 2022 by excluding Super Tax liability worked out under section 4C of the Ordinance subject to deposit of post-dated cheque equivalent to the Super Tax liability for the year. The writ petition is pending decision before the LHC till to date.
22.1.10	The Company filed writ petition before the Islamabad High Court [IHC] to challenge retrospective application of enhanced rate of Super Tax from 4% to 10% in light of the amendments brought in through the Finance Act 2023. The IHC through writ petition Order 3504/2023 dated 06 November 2023 has granted interim stay against the recovery of Super Tax in excess of the tax rate as laid down before the aforesaid amendment. In light of the decision of the IHC, the Company has filed its return of total income for the Tax Year 2023 by discharging its Super Tax liability at the rate of 4% of its income. The writ petition is pending decision before the IHC till to date.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Others

22.1.11 Certain claims have been filed against the Company. The management, based on the opinion of its legal counsels, believes that the above mentioned matters are most likely to be decided in favour of the Company at superior appellate forums and no charge is required to be recognised and carried in the financial statements. Management on the basis of nature and facts of the claims believes that expected outcome of these cases will be favorable and adverse financial impact, if any, on these financial statements is not likely to be material.

22.2 Commitments

22.2.1 The Company's commitment under Ijarah arrangement with Meezan Bank Limited is Rs. 77.29 million (2022: Rs 67.04 million). The contracts have a term of five years.

	2023	2022
	Rupees in thousand	
Future Minimum Ujrah (lease) payments are as under:		
Not later than one year	23,381	16,861
Later than one year and not later than five years	53,914	50,186
	77,295	67,047
Ijarah payments recognized in expense during the year	29,364	16,506
22.2.2 The Company's commitment under rental agreements with lease term of less than 1 year are:		
Not later than one year	3,725	2,624
Rental payments recognized in expense during the year	14,781	10,544
	18,506	13,168

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	Rupees in thousand	
23	NET INSURANCE PREMIUM	
Written gross premium	4,906,731	4,041,255
Add: Unearned premium reserve opening	1,823,622	1,719,511
Less: Unearned premium reserve closing	(2,062,367)	(1,823,622)
Premium earned	4,667,986	3,937,144
Less: Reinsurance premium ceded	1,798,570	1,616,229
Add: Prepaid reinsurance premium opening	665,084	559,058
Less: Prepaid reinsurance premium closing	(645,855)	(665,084)
Reinsurance expense	1,817,799	1,510,203
	2,850,187	2,426,941
24	NET INSURANCE CLAIMS	
Claims paid	2,476,418	1,889,692
Add: Outstanding claims including IBNR closing	1,450,640	763,291
Less: Outstanding claims including IBNR opening	(763,291)	(639,160)
Claims expense	3,163,767	2,013,823
Less: Reinsurance and other recoveries received	791,501	400,386
Add: Reinsurance and other recoveries in respect of outstanding claims closing	888,923	310,712
Less: Reinsurance and other recoveries in respect of outstanding claims opening	(310,712)	(245,465)
Reinsurance and other recoveries revenue	1,369,712	465,633
	1,794,055	1,548,190

24.1 Claim Development

The Company maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before reinsurance.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Accident Year	2018 & prior	2019	2020	2021	2022	2023	Total
Rupees in thousand							
At the end of accident year	27,454	25,764	29,786	1,735,753	2,058,520	2,880,739	
One year later	32,402	29,863	688,815	549,750	1,059,883	-	
Two years later	53,890	55,773	40,409	54,701	-	-	
Three years later	45,198	39,460	6,217	-	-	-	
Four years later	24,639	8,495	-	-	-	-	
Five year later	14,330	-	-	-	-	-	
Current estimate of cumulative claims			6,217	54,701	1,059,883	2,880,739	4,024,365
Less: Cumulative payments to date	(1,442)	(1,770)	2,202	25,738	906,067	1,642,930	2,573,725
Liability recognized in statement of financial position	15,772	10,265	4,015	28,963	153,816	1,237,809	1,450,640

24.2 The provision for IBNR on the basis of actuarial valuation carried out as at December 31, 2023 amounted to Rs. 326,517 thousands (2022: Rs 304,102 thousands).

	2023	2022
25 NET COMMISSION AND OTHER ACQUISITION COSTS	Rupees in thousand	
Commission paid or payable	394,563	264,794
Add: Deferred commission expense opening	108,258	102,363
Less: Deferred commission expense closing	(154,757)	(108,258)
Net commission	348,064	258,899
Less: Commission received or recoverable	378,728	337,403
Add: Unearned reinsurance commission opening	113,761	97,068
Less: Unearned reinsurance commission closing	(122,020)	(113,761)
Commission from reinsurers	370,469	320,710
	(22,405)	(61,811)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

			2023	2022
26	MANAGEMENT EXPENSES	Note	Rupees in thousand	
	Employees benefit cost	26.1	628,191	539,940
	Rent		11,373	10,544
	Communication		7,351	8,414
	Tracker devices		4,765	5,455
	Monitoring of trackers		688	6,790
	Printing and stationery		20,001	11,768
	Traveling and entertainment		9,972	6,863
	Depreciation and amortization		102,136	93,679
	Repair and maintenance		12,953	13,605
	Utilities		24,806	21,579
	Advertisement		1,812	1,393
	Legal and professional charges		8,834	8,929
	Bank charges		2,232	1,840
	Provision against premium due but unpaid		10,645	(4,982)
	Provision against health claims excess receivable		4,538	-
	Vehicle ljarah rentals		29,939	17,047
	Miscellaneous		22,762	9,239
			902,998	752,103
26.1	Employees benefit cost			
	Salaries, allowance and other benefits		588,682	502,912
	Charges for post employment benefits	26.2	39,510	37,028
			628,192	539,940

26.2 This includes charges for defined benefit plans, staff compensated absences and defined contribution plans amounting to Rs. 19.43 million (2022: Rs. 19.11 million), Rs. 7.89 million (2022: Rs. 7.52 million) and Rs. 16.19 million (2022: Rs. 14.51 million) respectively.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
27	INVESTMENT INCOME		
		Rupees in thousand	
	Dividend income on investments		
	Dividend income on securities held for trading	39,755	528
	Dividend income on available for sale investments	29,109	18,722
		68,864	19,250
	Income from debt securities		
	Return on government securities	284,171	246,415
	Return on other fixed income securities	47,949	36,985
		332,120	283,400
	Net realised gains on investments		
	Gain on trading of held for trading investments	30,008	1,521
	(Loss) / Gain on sale of available-for-sale investments	19,059	(1,184)
		49,067	337
	Unrealized profit on re-measurement of investments held for trading	1,513	91
	Provision for diminution in available-for-sale investments	(1,678)	(34,970)
	Investment related expenses	(30)	(148)
	Total investment income	449,856	267,960
28	RENTAL INCOME		
	Rental income	6,528	6,013
	Less : expenses of investment property	(56)	(22)
		6,472	5,991
29	OTHER INCOME		
	Profit on bank deposits	57,803	25,862
	Gain on sale of fixed assets	3,016	2,160
	Mark-up on staff house building finance	646	477
	Funds amortized against leased vehicles	10,429	7,692
	Others	1,190	17,609
		73,084	53,800

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
30	OTHER EXPENSES		
		Rupees in thousand	
	Subscription	8,092	7,026
	Auditors' remuneration	2,497	2,287
		10,589	9,313
30.1	Auditors' remuneration		
	Audit fee	1,297	1,287
	Half yearly review	400	450
	Special purpose review	275	250
	Code of Corporate Governance	125	100
	Other certifications	400	200
		2,497	2,287
31	FINANCE COSTS		
	Interest on lease liabilities	23,304	24,964
	Interest on running finance	3	641
		23,307	25,605
32	WINDOW TAKAFUL OPERATIONS - OPF		
	Wakala fee	222,394	170,125
	Management expenses	(111,948)	(87,437)
	Commission expenses	(68,750)	(49,248)
	Modarib's share of PTF investment income	15,823	9,797
	Investment income	35,787	19,784
	Other income - net	6,571	5,547
	Profit from Window Takaful Operations - OPF	99,877	68,568
33	INCOME TAX EXPENSE		
	For the year		
	- Current	318,269	206,465
	- Prior year	32,588	-
	Deferred	(8,281)	(11,693)
		342,576	194,772

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

33.1	Relationship between tax expense and accounting profit	2023	2022	2023	2022
		Effective tax rate - %		Rupees in thousand	
	Profit for the year before taxation			770,932	549,860
	Tax at the applicable rate	39.00%	29.00%	300,664	159,459
	Effect of items that are not considered in determining taxable income - net	1.21%	3.14%	9,325	17,269
	Effect of prior year adjustment	4.23%	3.28%	32,588	18,044
		44.44%	35.42%	342,576	194,772
33.2	Taxation charged to other comprehensive income				
	Deferred tax income / (expense)			34,374	(1,232)
				2023	2022
34	EARNINGS PER SHARE			Rupees in thousand	
	Profit after tax (Rupees in thousand)			428,356	355,088
	Weighted average number of shares			71,902	71,902
	Earnings (after tax) per share - (Rupees)			5.96	4.94

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

35 COMPENSATION OF DIRECTORS AND EXECUTIVES

35.1 The aggregate amounts charged in these consolidated financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees in thousand					
Fees	-	1,690	-	-	1,560	-
Managerial remuneration	23,532	-	56,447	20,578	-	43,666
Leave encashment	1,267	-	1,631	949	-	1,213
Bonus	9,329	-	20,481	8,113	-	15,890
Charge to defined benefit plan	1,728	-	3,704	1,744	-	3,695
Rent and house maintenance	9,655	-	24,156	8,396	-	18,518
Utilities	2,146	-	5,368	1,866	-	4,115
Conveyance	420	-	1,541	935	-	10,019
Provident fund	1,787	-	3,671	1,554	-	2,955
Others	2,189	-	13,577	2,495	-	13,437
	52,053	1,690	130,576	46,630	1,560	113,508
No of person(s)	2	12	32	2	12	26

35.2 The Chief Executive and Executives are also provided with Company maintained cars.

35.3 As defined in fourth Schedule of Companies Act 2017 (Amended vide S.R.O. 1169 (I)/2017 dated November 7th, 2017), "executive" means an employee, other than the chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

36 RELATED PARTY TRANSACTIONS

The Company is a subsidiary of Army Welfare Trust ("the parent company") therefore all subsidiaries and associated undertakings of the parent company are related parties of the Company. Other related parties comprise of directors, key management personnel, entities with common directorships and entities over which the directors are able to exercise influence. Balances with related parties are shown in the note 12.1 and the remuneration of chief executive, executives and directors is disclosed in note 36 to the consolidated financial statements. Transactions with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2023	2022
Transactions with the parent company:		
Rupees in thousand		
Insurance premium written (including government levies administrative surcharge and policies stamps)	12,209	10,619
Premium received during the period	11,639	10,519
Insurance claims paid	5,973	2,842
Rent paid	32,171	29,782
Dividend Paid	112,892	106,502
Transactions with associated undertakings:		
Army Welfare Sugar Mills		
Insurance premium written (including government levies administrative surcharge and policies stamps)	17,987	12,402
Premium received during the period	18,059	12,454
Insurance claims paid	373	672
Askari Aviation (Private) Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	2,414	2,593
Premium received during the period	2,553	3,241
Insurance claims paid	-	917

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Askari Development and Holdings (Private) Limited		
Rupees in thousand		
Insurance premium written (including government levies administrative surcharge and policies stamps)	13,642	7,320
Premium received during the period	490	7,760
Insurance claims paid	40,427	249
Askari Enterprises (Private) Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	303	240
Premium received during the period	206	336
Insurance claims paid	48	50
Askari CNG and Fuels		
Insurance premium written (including government levies administrative surcharge and policies stamps)	5,325	4,878
Premium received during the period	5,272	7,507
Insurance claims paid	1,949	369
Askari Guards (Private) Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	116,252	60,880
Premium received during the period	96,547	61,811
Insurance claims paid	3,956	15,993
Askari Lagoon Faisalabad		
Insurance premium written (including government levies administrative surcharge and policies stamps)	219	67
Premium received during the period	285	203
Insurance claims paid	56	-

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Askari Shoe Project	Rupees in thousand	
Insurance premium written (including government levies administrative surcharge and policies stamps)	4,044	2,403
Premium received during the period	2,690	2,390
Insurance claims paid	407	1,046
Askari Tours and Travels		
Insurance premium written (including government levies administrative surcharge and policies stamps)	1,008	1,095
Premium received during the period	2,521	224
Insurance claims paid	535	30
Askari Woolen Mills		
Insurance premium written (including government levies administrative surcharge and policies stamps)	2,582	1,264
Premium received during the period	2,074	1,346
Insurance claims paid	402	180
AWT Plaza Project		
Insurance premium written (including government levies administrative surcharge and policies stamps)	223	223
Premium received during the period	728	-
Insurance claims paid	142	240
Blue Lagoon		
Insurance premium written (including government levies administrative surcharge and policies stamps)	476	505
Premium received during the period	218	664
Insurance claims paid	226	-

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Fauji Security Services (Private) Limited		
Rupees in thousand		
Insurance premium written (including government levies administrative surcharge and policies stamps)	32,311	25,149
Premium received during the period	32,167	22,686
Insurance claims paid	1,571	1,129
MAL Pakistan Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	8,649	15,003
Premium received during the period	10,295	12,648
Insurance claims paid	11,185	5,017
Petrosel Lubricants (Private) Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	-	(149)
Premium received during the period	-	-
Insurance claims paid	-	-
Army Welfare Housing Scheme		
Insurance premium written (including government levies administrative surcharge and policies stamps)	544	566
Premium received during the period	544	523
Insurance claims paid	35	24

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Army Welfare Real Estate Division		
Rupees in thousand		
Insurance premium written (including government levies administrative surcharge and policies stamps)	1,948	2,210
Premium received during the period	1,591	2,058
Insurance claims paid	1,016	599
Askari Apparel		
Insurance premium written (including government levies administrative surcharge and policies stamps)	-	(206)
Premium received during the period	-	-
Insurance claims paid	-	-
AWT Investments Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	(34)	2,878
Premium received during the period	-	2,313
Insurance claims paid	75	1,809
Services Travels		
Insurance premium written (including government levies administrative surcharge and policies stamps)	90	92
Premium received during the period	90	92
Insurance claims paid	-	17
Askari Life Assurance		
Insurance premium written (including government levies administrative surcharge and policies stamps)	2,015	1,640
Premium received during the period	1,992	4,101
Insurance claims paid	719	3,691

NOTES TO AND FORMING PART OF THE **CONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Askari Seeds	Rupees in thousand	
Insurance premium written (including government levies administrative surcharge and policies stamps)	1,871	1,360
Premium received during the period	1,852	1,400
Insurance claims paid	473	366
Medask		
Insurance premium written (including government levies administrative surcharge and policies stamps)	5,478	5,225
Premium received during the period	4,587	435
Insurance claims paid	1,756	1,498
Jolidays (Private) Limited		
Insurance premium written (including government levies administrative surcharge and policies stamps)	137	144
Premium received during the period	162	40
Insurance claims paid	9	73
Transactions with other related parties		
Contributions to Employees Provident Fund Trust	47,811	47,432

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		2023										
		Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
		Rupees in thousand										
Financial assets measured at fair value												
Investment at fair value through profit and loss	262,784	-	-	-	-	-	262,784	262,784	-	-	-	262,784
Investment at fair value through other comprehensive income	-	470,061	-	-	-	-	470,061	470,061	-	-	-	470,061
Investment at fair value through profit and loss - WTO	215,340	-	-	-	-	-	215,340	155,471	-	-	-	155,471
Investment at available for sale - WTO	-	7916	-	-	-	-	7916	7916	-	-	-	7916
Financial assets not measured at fair value												
Investments												
- Government securities	-	-	-	2,774,068	-	-	2,774,068	-	-	-	-	2,774,068
- Fixed term deposits	-	210,025	-	-	-	-	210,025	-	-	-	-	210,025
Loans to employees	-	-	-	356	-	-	356	-	-	-	-	356
Accrued investment income*	-	-	-	74,502	-	-	74,502	-	-	-	-	74,502
Staff house building finance	-	-	-	3,096	-	-	3,096	-	-	-	-	3,096
Sundry receivables*	-	-	-	177,338	-	-	177,338	-	-	-	-	177,338
Amounts due from insurance contract holders*	-	-	-	1,397,809	-	-	1,397,809	-	-	-	-	1,397,809
Amounts due from other insurers / reinsurers*	-	-	-	66,649	-	-	66,649	-	-	-	-	66,649
Reinsurance recoveries against outstanding claims*	-	-	-	888,923	-	-	888,923	-	-	-	-	888,923
Salvage recoveries accrued*	-	-	-	2,633	-	-	2,633	-	-	-	-	2,633
Cash and bank deposits*	-	-	-	317,796	-	-	317,796	-	-	-	-	317,796
Total assets of Window Takaful Operations - OPF	-	-	-	191,800	-	-	191,800	-	-	-	-	191,800
Financial liabilities not measured at fair value												
Provision for outstanding claims (including IBNR)*	-	-	-	-	-	(1,450,640)	(1,450,640)	-	-	-	-	(1,450,640)
Lease liabilities	-	-	-	-	-	(158,038)	(158,038)	-	-	-	-	(158,038)
Amounts due to other insurers / reinsurers*	-	-	-	-	-	(889,529)	(889,529)	-	-	-	-	(889,529)
Unclaimed dividend*	-	-	-	-	-	(13,291)	(13,291)	-	-	-	-	(13,291)
Accrued expenses*	-	-	-	-	-	(36,746)	(36,746)	-	-	-	-	(36,746)
Other creditors and accruals*	-	-	-	-	-	(174,671)	(174,671)	-	-	-	-	(174,671)
Deposits and other payables*	-	-	-	-	-	(69,164)	(69,164)	-	-	-	-	(69,164)
Total liabilities of Window Takaful Operations - OPF	-	-	-	-	-	(139,902)	(139,902)	-	-	-	-	(139,902)
	478,124	688,002	2,774,068	3,120,902	(2,931,981)	4,129,115	896,232	-	-	-	-	2,924,042
												3,220,274

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2022						
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Total
	Rupees in thousand						
Financial assets measured at fair value							
Investment at fair value through profit and loss	100,397	-	-	-	-	100,397	-
Investment at fair value through other comprehensive income	-	266,883	-	-	-	266,883	25,293
Investment at fair value through profit and loss - WTO	155,471	-	-	-	-	155,471	-
Investment at available for sale - WTO	-	22,008	-	-	-	22,008	17,008
							5,000
							22,008
Financial assets not measured at fair value							
Investments							
- Government securities	-	-	2,514,527	-	-	2,514,527	-
- Fixed term deposits	-	210,025	-	-	-	210,025	-
Loans to employees	-	-	-	347	-	347	-
Accrued investment income*	-	-	-	57,831	-	57,831	-
Staff house building finance	-	-	-	3,129	-	3,129	-
Sundry receivables*	-	-	-	143,977	-	143,977	-
Amounts due from insurance contract holders*	-	-	-	1,326,447	-	1,326,447	-
Amounts due from other insurers / reinsurers*	-	-	-	148,432	-	148,432	-
Reinsurance recoveries against outstanding claims*	-	-	-	310,712	-	310,712	-
Salvage recoveries accrued*	-	-	-	3,339	-	3,339	-
Cash and bank deposits*	-	-	-	295,746	-	295,746	-
Total assets of Window Takatuf Operations - OPF	-	-	-	161,395	-	161,395	-
Financial liabilities not measured at fair value							
Provision for outstanding claims (including IBNR)*	-	-	-	-	(763,291)	(763,291)	-
Lease liabilities	-	-	-	-	(199,754)	(199,754)	-
Amounts due to other insurers / reinsurers*	-	-	-	-	(1,034,109)	(1,034,109)	-
Unclaimed dividend*	-	-	-	-	(9,708)	(9,708)	-
Accrued expenses*	-	-	-	-	(11,623)	(11,623)	-
Other creditors and accruals*	-	-	-	-	(258,163)	(258,163)	-
Deposits and other payables*	-	-	-	-	(59,061)	(59,061)	-
Total liabilities of Window Takatuf Operations - OPF	-	-	-	-	(38,258)	(38,258)	-
	255,868	498,916	2,514,527	2,451,355	(2,373,967)	3,346,699	539,759
							2,306,954
							2,846,113

* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value. Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:
Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

38 SEGMENT INFORMATION 38.1 Segment Profit and loss

	Fire and property damage		Marine, aviation and transport		Motor		Accident and health		Miscellaneous		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees in thousand											
Premium receivable (inclusive of Federal Excise Duty, Federal Insurance Fee and Administrative surcharge)	1,080,111	804,706	589,165	356,741	1,453,290	1,256,430	1,408,786	1,050,631	930,536	997,901	5,441,888	4,466,408
Less: Federal Excise Duty	140,766	108,075	66,540	39,841	194,496	170,938	1,889	-	63,744	52,694	467,435	371,548
Federal Insurance Fee	9,377	6,920	5,090	2,993	12,359	10,809	13,873	10,316	8,502	9,384	49,201	40,422
Stamp Duty	326	352	15,533	11,808	675	785	774	7	191	233	17,499	13,184
Gross written premium (inclusive of administrative surcharge)	909,642	689,359	502,002	302,099	1,245,760	1,073,898	1,392,250	1,040,308	858,099	935,590	4,907,753	4,041,255
Gross premium	899,836	689,554	493,523	294,490	1,205,520	1,035,181	1,386,699	1,036,420	845,204	925,329	4,830,781	3,980,978
Administrative surcharge	7,325	6,222	10,098	9,378	40,442	38,668	1,055	985	9,345	7,588	68,265	62,842
Facultative inward premium	2,031	4,372	-	-	-	-	-	-	-	850	2,031	5,223
Service charges	451	(10,790)	(1,619)	(1,769)	(202)	48	4,496	2,803	3,550	1,822	6,676	(7,886)
Insurance premium earned	825,716	603,609	489,190	267,356	1,154,734	1,037,289	1,272,523	1,111,116	925,823	917,774	4,667,986	3,937,144
Insurance premium ceded to reinsurers	(734,057)	(549,258)	(323,880)	(184,159)	(43,064)	(41,800)	49	(35,116)	(716,847)	(699,669)	(1,817,799)	(1,510,203)
Net insurance premium	91,659	54,351	165,310	83,197	1,111,670	995,489	1,272,572	1,076,000	208,976	217,905	2,850,187	2,426,942
Commission income	136,063	119,221	90,460	60,252	5,374	4,285	(8)	5,619	138,580	131,333	370,469	320,710
Net underwriting income	227,722	173,572	255,770	143,449	1,117,044	999,774	1,272,564	1,081,619	347,556	349,238	3,220,656	2,747,652
Insurance claims	(870,240)	(182,373)	(137,942)	(91,509)	(532,096)	(493,866)	(1,185,051)	(967,841)	(438,437)	(278,233)	(3,163,767)	(2,013,822)
Insurance claims recovered from reinsurers	841,859	160,076	117,785	73,557	23,686	(1,156)	11,709	30,904	374,673	202,251	1,369,712	465,632
Net claims	(28,381)	(22,297)	(20,157)	(17,952)	(508,410)	(495,022)	(1,173,342)	(936,938)	(63,764)	(75,982)	(1,794,055)	(1,548,190)
Commission expense	(96,327)	(66,201)	(78,235)	(40,011)	(58,026)	(47,507)	(49,728)	(33,221)	(65,748)	(71,960)	(348,064)	(258,900)
Management expense	(48,079)	(27,313)	(86,713)	(41,810)	(623,790)	(542,358)	(34,799)	(31,116)	(109,618)	(109,506)	(902,998)	(752,103)
Underwriting results	54,934	57,761	70,665	43,677	(73,182)	(85,114)	14,696	80,345	108,426	91,790	175,539	188,459
Investment income											449,856	267,960
Rental income											6,472	5,991
Other income											73,084	53,800
Finance costs											(23,307)	(25,605)
Other expenses											(10,589)	(9,313)
Profit before tax from Window Takatful Operations - OPF											671,055	481,292
Profit before tax											99,877	68,568
											770,932	549,860

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

38.2 Segment Assets and Liabilities

	Fire and property damage		Marine, aviation and transport		Motor		Accident and health		Miscellaneous		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees in thousand											
Corporate Segment assets - Conventional	1,056,816	510,406	336,546	214,704	797,219	835,738	833,120	841,921	485,244	576,558	3,508,943	2,979,327
Corporate Segment assets - Takaful OPF	33,319	24,050	14,431	12,165	46,350	37,509	7,857	2,024	5,358	4,278	107,315	80,056
Corporate unallocated assets - Conventional											4,350,425	3,683,642
Corporate unallocated assets - Takaful OPF											334,341	286,888
Consolidated total assets											<u>8,301,024</u>	<u>7,029,912</u>
Corporate Segment liabilities - Conventional	1,145,359	569,156	336,207	252,708	1,283,962	1,196,674	1,473,784	1,274,903	694,936	716,377	4,934,248	4,009,818
Corporate Segment liabilities - Takaful OPF	31,626	26,738	6,951	12,654	63,801	61,242	15,488	3,033	5,461	5,228	123,327	108,895
Corporate unallocated Segment liabilities - Conventional											460,410	430,359
Corporate unallocated Segment liabilities - Takaful OPF											29,879	10,024
Consolidated total liabilities											<u>5,547,864</u>	<u>4,559,096</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

39	MOVEMENT IN INVESTMENTS					
		Held to maturity	Available-for-sale	Fair value through P&L	Loans and receivables	Total
Rupees in thousand						
	At beginning of previous year	2,296,767	467,691	673	-	2,765,131
	Additions	1,699,489	338,471	809,099	-	2,847,059
	Disposals (sale and redemptions)	(1,481,729)	(286,449)	(709,466)	-	(2,477,644)
	Fair value net gain (excluding net realised gains)	-	(42,804)	91	-	(42,713)
	Designated at fair value through profit / loss upon initial recognition	-	-	-	-	-
	Classified as held for trading	-	-	-	-	-
	Impairment (loss) / reversal	-	-	-	-	-
	At beginning of current year	2,514,527	476,909	100,397	-	3,091,833
	Additions					
	Disposals (sale and redemptions)	1,064,060	296,198	1,917,137	-	3,277,395
	Fair value net gain (excluding net realised gains)	(804,519)	(179,669)	(1,756,172)	-	(2,740,360)
	Designated at fair value through profit / loss upon initial recognition	-	86,646	1,424	-	88,070
	Classified as held for trading	-	-	-	-	-
	Impairment reversal	-	-	-	-	-
	At end of current year	2,774,068	680,084	262,786	-	3,716,938

40 MANAGEMENT OF FINANCIAL AND INSURANCE RISK

40.1 Financial risk

The Company's activities exposes it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest / mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous year in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing the Company's risk management policies.

i) 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.

Concentration of credit risk occurs 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 management monitors and limits the Company's exposure to credit risk through monitoring of client's exposure and maintaining conservative estimates of provisions for doubtful assets, if required. The management believes it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sectors.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The carrying amount of financial assets represents the maximum credit exposure, as specified below:

	2023	2022
	Rupees in thousand	
Bank deposits	314,766	293,363
Investments	3,716,938	3,091,833
Salvage recoveries accrued	2,633	3,339
Amounts due from insurance contract holders	1,397,809	1,326,447
Amounts due from other insurers / reinsurers	66,649	148,432
Accrued investment income	74,502	57,831
Reinsurance recoveries against outstanding claims	888,923	310,712
Staff house building finance	3,096	3,129
Sundry receivables	177,338	144,977
	6,642,654	5,380,063

The Company does not hold any collateral against the above balances except for staff house building finance. Provision against receivable is written off when the Company expects that it cannot recover the balance due. Except as already provided for in these consolidated financial statements, past due balances were not impaired as they relate to a number of policy holders and other insurers / reinsurers for whom there is no recent history of default. The age analysis of gross receivables is as follows:

	Amount due from insurance contract holders	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Sundry receivables	2023 Aggregate	2022 Aggregate
	Rupees in thousand					
Up to 1 year	1,189,134	65,875	772,613	177,338	2,204,959	1,674,050
1-2 years	208,825	774	88,611	-	298,210	219,267
2-3 years	10,451	5,588	9,070	-	25,109	20,338
Over 3 years	5,039	-	18,630	-	23,669	26,497
	1,413,449	72,237	888,924	177,338	2,551,947	1,940,152

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

a) The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Rating Financial institution	Rating		Rating agency	2023	2022
	Long term	Short term		Rupees in thousand	
Askari Bank Limited	AA+	A1+	PACRA	286,049	241,359
Bank Makramah Limited (Formerly:Summit Bank Limited)	Un Rated	Un Rated	VIS	31	957
Habib Bank Limited	AAA	A-1+	VIS	1,829	852
Faysal Bank Limited	AA	A1+	PACRA	2,021	2,001
Bank Al Falah Limited	AA+	A1+	PACRA	4	7
Bank Al-Habib Limited	AAA	A1+	PACRA	868	1,356
Meezan Bank Limited	AAA	A-1+	VIS	3,065	14,988
The Bank Of Punjab	AA+	A1+	PACRA	3,189	387
NRSP Microfinance Bank	A-	A2	PACRA	40	1,409
JS Bank Limited	AA-	A1+	PACRA	2,645	1,116
Bank Of Khyber	A+	A1	PACRA	2,938	1,294
Punjab Provincial Cooperative Bank	Exempted	Exempted	Not applicable	742	1,565
Zarai Taraqiyati Bank	AAA	A-1+	VIS	7,840	2,441
Allied Bank Limited	AAA	A1+	PACRA	990	2,459
Finca Microfinance Bank	A-	A2	PACRA	983	3,098
U Microfinance Bank	A+	A-1	VIS	393	10
MCB Bank Limited	AAA	A1+	PACRA	1,092	-
United Bank Limited	AAA	A-1+	VIS	44	18,064
Bank of Azad Jammu & Kashmir	Un Rated	Un Rated		2	-
				314,766	293,362

b) The credit quality of amounts due from other insurers / reinsurers and reinsurance recoveries against outstanding claims can be assessed with reference to external credit rating as follows:

Rating	2023		2022	
	Amount due from other insurers / reinsurers	Reinsurance recoveries against outstanding claims	Aggregate	Aggregate
	Rupees in thousand			
Rating	72,237	888,923	961,160	459,763
A or above	-	-	-	-
Others	72,237	888,923	961,160	459,763

c) The Company has diversified portfolio of investment to mitigate the risk. The credit risk exposure relates to investment in debt securities as mentioned in note 10 to the consolidated financial statements. The Company has also maintained a provision against certain certificates of investments as disclosed in note 10.5 to the consolidated financial statements.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Liquidity requirements are monitored by management to ensure that adequate funds are available to meet any obligations as they arise. To guard against risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The table below summarises the maturity profile of the Company's financial liabilities. The contractual maturities of these liabilities at the year end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which these liabilities will be settled.

	2023			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees in thousand			
Provision for outstanding claims (including IBNR)	1,450,640	1,450,640	1,450,640	-
Amounts due to other insurers / reinsurers	889,529	889,529	889,529	-
Other creditors and accruals	154,166	154,166	154,166	-
Unclaimed dividend	13,291	13,291	13,291	-
Deposits and other payables	69,164	69,164	69,164	-
Lease liabilities	158,038	158,038	54,980	103,058
Other liabilities	57,251	57,251	57,251	-
Total liabilities of Window Takaful Operations - OPF	139,902	139,902	139,902	-
	2,931,981	2,931,981	2,828,923	103,058

	2022			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Rupees in thousand			
Provision for outstanding claims (including IBNR)	763,291	763,291	763,291	-
Amounts due to other insurers / reinsurers	1,034,109	1,034,109	1,034,109	-
Other creditors and accruals	90,385	90,385	90,385	-
Unclaimed dividend	9,708	9,708	9,708	-
Deposits and other payables	59,061	59,061	59,061	-
Liabilities liabilities	199,754	199,754	56,785	142,969
Other liabilities	58,883	58,883	58,883	-
Total liabilities of Window Takaful Operations - OPF	115,988	115,988	115,988	-
	2,331,179	2,331,179	2,188,210	142,969

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market variable such as interest / mark up rate, foreign exchange rate and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The market risks associated with the Company's business activities are interest / mark up rate risk and price risk.

a)

Interest / mark up rate risk

Interest / mark-up rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in the market interest / mark up rates. The Company invests in securities and has deposits that are subject to interest / mark up rates risk. The Company limits interest / mark up rate risk by monitoring changes in interest / mark up rates in the currencies in which its cash and investments are denominated. The Company's financial liabilities are not exposed to interest / mark up rate risk. At the balance sheet date exposure to interest bearing financial assets is as follows:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022	2023	2022
	Effective interest rate (%)		Carrying amounts	
	Rupees in thousand			
Fixed rate financial assets				
Investments	9.06% to 13.49%	8.49% to 13.49%	1,749,454	2,514,527
Variable rate financial assets				
Deposit accounts	7% to 20.5%	3.70% to 14.50%	280,539	268,700
Investments	15.67% to 23.60%	8.13% to 22.97%	1,234,639	235,318
			3,264,632	3,018,545

b) Foreign currency risk

Foreign currency risk is the risk that 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.

c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity market.

The following table summarises the Company's price risk as at December 31, 2023 and 2022. It shows the effects of an estimated increase of 10% in the market prices as on those dates. A decrease of 10% in the fair values of the listed securities would affect it in a similar and opposite manner.

	Fair value	Price change	Effect on fair value
	Rupees in thousand		Rupees in thousand
December 31, 2023	732,845	+10%	73,285
	732,845	-10%	(73,285)
December 31, 2022	341,988	+10%	34,199
	341,988	-10%	(34,199)

iv) Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values except for available for sale and held to maturity investments whose fair values are determined for disclosure purpose only and have been disclosed in their respective notes to these financial statements.

NOTES TO AND FORMING PART OF THE **CONSOLIDATED FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31 DECEMBER 2023

Determination of fair values

Fair values have been determined for measurement / or disclosure purpose based on the following methods:

Investment in fair value through profit and loss account - held for trading

The fair value of held for trading investment is determined by reference to their closing repurchase price / price quoted on the stock exchange at the reporting date.

Available-for-sale investment

The fair value of available for sale investment is determined by reference to their closing repurchase price / price quoted on the stock exchange at the reporting date. They are being carried at fair value.

Held to maturity investment

Fair value for held to maturity investment is estimated as the present values of future cash flows, discounted at the market rate of interest at the reporting date. They are being carried at fair value.

Non-derivatives financial assets and liabilities

The fair value is estimated based on the present values of future cash flows, discounted at the market rate of interest at the reporting date. However, since these assets and liabilities are due to be settled within one year, their fair values approximate their carrying values.

v) **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 business.

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

In accordance with the requirements of the Insurance Rules, 2017 issued by the SECP, minimum paid-up capital requirement to be complied with by insurance/ takaful companies as at December 31, 2017 and for subsequent years is Rs. 500 million. As at 31 December 2023, the Company's paid-up capital is in excess of the prescribed limit.

40.2 **Insurance risk**

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The principal risk that the Company faces under its insurance contracts is that the actual claims exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims is greater than estimated. Insurance events are random, and the actual number and amount of claims will vary from year to year from the level established.

Based on past experience, management is of the view that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome is. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(a) Frequency and severity of claims

Political, environmental, economical and climatic changes give rise to more frequent and severe extreme events (for example, fire, theft, steal, riot and strike, explosion, earthquake, atmospheric damage, hurricanes, typhoons, river flooding, electric fluctuation, terrorism, war risk, damages occurring in inland transit, burglary, loss of cash in safe and cash in transit, travel and personal accident, money losses, engineering losses and other events) and their consequences (for example subsidence claims). For certain contracts, the Company has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

Insurance contracts which are divided into direct and facultative arrangements are further subdivided into five segments: fire, marine, motor, accident and health and miscellaneous. The insurance risk arising from these contracts is concentrated in the territories in which the Company operates, and there is a balance between commercial and personal properties / assets in the overall portfolio of insured properties / assets. The Company underwrites insurance contract in Pakistan.

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. The Company has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation). The claim payments are limited to the extent of sum insured on occurrence of the insured event.

The Company has entered into reinsurance cover / arrangements with local and foreign reinsurers having good credit rating by reputable rating agencies, to reduce its exposure to risks and resulting claims. Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional facultative reinsurance arrangements are in place to protect the net account in case of a major catastrophe. The effect of such reinsurance arrangements is that the Company recovers the share of claims from reinsurers thereby reducing its exposure to risk. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional reinsurance arrangements, any loss over and above the said limit would be recovered under non-proportional treaty which is very much in line with the risk management philosophy of the Company. In compliance of the regulatory requirement, the reinsurance agreements are duly submitted with Securities and Exchange Commission of Pakistan on an annual basis.

The Company has claims department dealing with the mitigation of risks surrounding claims incurred whether reported or not. This department investigates and settles all claims based on surveyor's report / assessment. The unsettled claims are reviewed individually on a periodic basis and adjusted to reflect the latest information on the underlying facts, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

(b) Sources of uncertainty in the estimation of future claim payments

Claims reported and otherwise are analyzed separately. The development of large losses / catastrophes is analyzed separately. The shorter settlement year for claims allows the Company to achieve a higher degree of certainty about the estimated cost of claims including IBNR. However, the longer time needed to assess the emergence of a subsidence claim makes the estimation process more uncertain for these claims.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value, reinsurance and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome may be different from the original liability established. The liability comprises amount in relations to unpaid reported claims, claims incurred but not reported (IBNR), expected claims settlement costs and a provision for unexpired risks at the end of the reporting year.

Liability in respect of outstanding claims is based on the best estimate of the claims intimated or assessed. In calculating the estimated cost of unpaid claims (both reported and not), the Company estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of insurance claims and insurance premiums earned in a prior financial years in relation to such claims) and an estimate based upon actual claims experience using predetermined basis where greater weight is given to actual claims experience as time passes.

In estimating the liability for the cost of reported claims not yet paid, the Company considers any information available from surveyor's assessment and information on the cost of settling claims with similar characteristics in previous years. Claims are assessed on a case-by-case basis separately.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Particulars	Total amount	Age-wise Breakup				
		1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
Rupees in thousand						
Claims not encashed	91,630	74,084	5,307	5,203	7,036	-

(c) Key assumptions

The principal assumption underlying the liability estimation of IBNR and Premium Deficiency Reserves is that the Company's future claim development will follow similar historical pattern for occurrence and reporting. The management uses qualitative 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.

(d) Changes in assumptions

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

(e) Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to 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 claim numbers and expected loss ratios. The Company considers that the liability for insurance claims recognized in the balance sheet is adequate. However, actual experience will differ from the expected outcome.

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.

	Profit before tax		Shareholders' equity	
	2023	2022	2023	2022
	Rupees in thousand		Rupees in thousand	
10% increase in loss				
Fire and property damage	(2,267)	(1,789)	(1,383)	(1,199)
Marine aviation and transport	(2,283)	(2,154)	(1,393)	(1,443)
Motor	(18,635)	(16,626)	(11,368)	(11,139)
Health	(27,862)	(20,524)	(16,996)	(13,751)
Miscellaneous	(5,125)	(4,165)	(3,126)	(2,791)
	(56,172)	(45,258)	(34,265)	(30,323)

A 10% decrease would have had equal but opposite effect on the profit and loss account and shareholders' equity.

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, to the Company's profit before tax and equity based upon closing balances and rates:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Increase / (decrease) in basis points	Effect on profit before tax	Effect on equity
			Rupees in thousand
December 31, 2023	100	4,464	2,723
	-100	(4,464)	(2,723)
December 31, 2022	100	4,568	3,061
	-100	(4,568)	(3,061)

(f) Concentration of insurance risk

A concentration of risk may also arise from a single insurance contract issued to a particular type of policyholder, within a geographical location or to types of commercial business. The Company minimizes its exposure to significant losses by obtaining reinsurance from a number of reinsurers, who are dispersed over several geographical regions.

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

	Gross sum insured	Reinsurance	Net
			Rupees in thousand
2023			
Fire and property	780,701,269	687,318,387	93,382,882
Marine, aviation and transport	599,779,334	451,603,841	148,175,493
Motor	93,152,036	2,922,553	90,229,483
Miscellaneous	376,242,357	210,609,007	165,633,350
	1,849,874,996	1,352,453,788	497,421,208
2022			
Fire and property	744,390,706	666,441,971	77,948,735
Marine, aviation and transport	613,988,830	372,182,600	241,806,230
Motor	67,852,699	1,885,714	65,966,985
Miscellaneous	482,876,418	371,986,705	110,889,713
	1,909,108,653	1,412,496,990	496,611,663

The Company's class wise major risk exposure is as follows:

	Maximum Gross Risk Exposure	
	2023	2022
		Rupees in thousand
Fire and property	90,907,420	90,869,307
Marine, aviation and transport	33,265,697	37,400,000
Motor	3,039,852	3,078,032
Liability	2,070,000	1,890,000
Miscellaneous	25,630,000	23,196,748

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2023

	2023						Total	
	Interest / mark-up bearing financial instruments			Non-interest / mark-up bearing financial instruments				
	Effective rate % per annum	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year		Sub total
Rupees in thousand								
Financial assets								
Investments								
Equity securities		-	-	-	732,845	-	732,845	732,845
Debt securities	9.06% to 13.49%	249,493	2,734,600	2,984,093	-	-	-	2,984,093
Loans and other receivables		181	2,915	3,096	181,876	-	181,876	184,972
Insurance / reinsurance receivables		-	-	-	1,464,458	-	1,464,458	1,464,458
Reinsurance recoveries against outstanding claims		-	-	-	888,923	-	888,923	888,923
Salvage recoveries accrued		-	-	-	2,633	-	2,633	2,633
Cash and bank	7% to 20.5%	283,275	-	283,275	34,521	-	34,521	317,796
Total assets of Window Takaful								
Operations - Operator's Fund		223,256	-	223,256	191,800	-	191,800	415,056
		756,205	2,737,515	3,493,720	3,497,056	-	3,497,056	6,990,776
Financial liabilities								
Outstanding claims including IBNR		-	-	-	(1,450,640)	-	(1,450,640)	(1,450,640)
Insurance / reinsurance payables		-	-	-	(889,529)	-	(889,529)	(889,529)
Other creditors and accruals		-	-	-	(211,417)	-	(211,417)	(211,417)
Deposits and other payables		-	-	-	(69,164)	-	(69,164)	(69,164)
Liabilities against assets - secured		(54,980)	(103,058)	(158,038)	-	-	-	(158,038)
Unclaimed dividends		-	-	-	(13,291)	-	-	(13,291)
Total liabilities of Window Takaful								
Operations - Operator's Fund					(139,902)	-	(139,902)	(139,902)
		(54,980)	(103,058)	(158,038)	(2,773,943)	-	(2,760,652)	(2,931,981)
Interest risk sensitivity gap		701,225	2,634,457	3,335,682	723,113	-	736,404	4,058,796
Cumulative interest risk sensitivity gap		701,225	3,335,682					

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2022

	Effective rate % per annum	Interest / mark-up bearing financial instruments			Non-interest / mark-up bearing financial instruments			Total
		Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
		Rupees in thousand						
Financial assets								
Investments								
Equity securities		-	-	-	341,988	-	341,988	341,988
Debt securities	8.56% to 13.60%	807,296	1,942,549	2,749,845	-	-	-	2,749,845
Loans and other receivables	8.15% to 10.28%	64	3,064	3,128	137,570	-	137,570	140,698
Insurance / reinsurance receivables		-	-	-	1,474,879	-	1,474,879	1,474,879
Reinsurance recoveries against outstanding claims		-	-	-	310,712	-	310,712	310,712
Salvage recoveries accrued		-	-	-	3,341	-	3,341	3,341
Cash and bank	2.52% to 8.00%	268,700	-	268,700	26,469	-	26,469	295,169
Total assets of Window Takaful Operations - Operator's Fund		92,076	-	92,076	274,884	-	274,884	366,960
		1,168,136	1,945,613	3,113,749	2,569,843	-	2,569,843	5,683,592
Financial liabilities								
Outstanding claims including IBNR		-	-	-	(763,291)	-	(763,291)	(763,291)
Insurance / reinsurance payables		-	-	-	(1,034,109)	-	(1,034,109)	(1,034,109)
Other creditors and accruals		-	-	-	(135,386)	-	(135,386)	(135,386)
Deposits and other payables		-	-	-	(59,061)	-	(59,061)	(59,061)
Liabilities against assets - secured		(56,785)	(142,969)	(199,754)	-	-	-	(199,754)
Unclaimed dividends		-	-	-	(9,706)	-	-	(9,706)
Total liabilities of Window Takaful Operations - Operator's Fund		(56,785)	(142,969)	(199,754)	(2,117,541)	-	(2,107,835)	(2,317,295)
Interest risk sensitivity gap		1,111,351	1,802,644	2,913,995	452,302	-	462,008	3,366,297
Cumulative interest risk sensitivity gap		1,111,351	2,913,995					

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

41	STATEMENT OF SOLVENCY	2023
		Rupees in thousand
	Assets	
	Property and equipment	352,317
	Intangible assets	7,562
	Investment property	35,261
	Investments	
	- Equity securities	732,845
	- Debt securities	2,984,093
	Loans and other receivables	255,292
	Insurance / Reinsurance receivables - unsecured, considered good	1,464,458
	Reinsurance recoveries against outstanding claims	888,923
	Salvage recoveries accrued	2,633
	Deferred commission expense / Acquisition cost	154,757
	Deferred taxation	8,434
	Prepayments	654,781
	Cash and bank	317,796
	Total assets from Window Takaful Operations - OPF	441,872
	Total Assets (A)	8,301,024
	In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000	
(d)	loans to employees	3,452
(g)	receivable from related parties	104,052
(h)	insurance / reinsurance receivables for more than three months	891,228
(i)	intangible assets	7,562
(j)	deferred tax asset	8,434
(k)	security deposit receivable	18,619
(k)	security deposits	69,164
(l)	assets subject to encumbrances	330,000
(U)-(i)	vehicles	90,088
(U)-(ii)	office equipment	41,091
(U)-(ii)	office equipment (window takaful operator's fund)	573
(U)-(iii)	fixtures and fittings	7,928
(U)-(iii)	fixtures and fittings (window takaful operator's fund)	369
(v)	Investments in TFC & Sukuks	119,558
32(5)	Right of use assets - Rental properties	96,657
	Total of In-admissible assets (B)	1,788,774
	Total Admissible Assets (C=A-B)	6,512,250

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Total Liabilities	2023
	Rupees in thousand
Underwriting Provisions	
- Outstanding claims including IBNR	1,450,640
- Unearned premium reserves	2,062,367
- Unearned reinsurance commission	122,020
Retirement benefit obligations	9,038
Staff compensated absences	50,871
Lease liabilities	158,038
Taxation - provision less payment	86,831
Premium received in advance	194,993
Insurance / Reinsurance Payables	889,529
Unclaimed dividend	13,291
Other Creditors and Accruals	287,876
Deposits and other payables	69,164
Total Liabilities	5,394,658
Total liabilities from Window Takaful Operations - OPF	153,206
Total Liabilities (D)	5,547,864
Total Net Admissible Assets (E=C-D)	964,386
Minimum solvency requirement (higher of following)	570,037
Method A - U/s 36(3)(a)	150,000
Method B - U/s 36(3)(b)	570,037
Method C - U/s 36(3)(c)	395,646
Excess in Net Admissible Assets over Minimum Requirements	394,349

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

42 The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	2023	2022
	Rupees in thousand	
43 WINDOW TAKAFUL OPERATIONS - OPF		
Assets		
Cash and bank deposits	100,852	92,076
Investments	223,256	177,479
Current assets - others	117,109	96,462
Fixed assets	655	943
Total assets	441,872	366,960
Total liabilities - current	153,206	118,919
Profit from Window Takaful Operations - OPF	99,877	68,568

Details of total assets, total liabilities and segment disclosure of window takaful operations are stated in the annexed financial statements.

44 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions.

45 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Company in the meeting held on 14 March 2024 have proposed a final cash dividend of Rupees 3.25 per share.

46 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements have been authorized for issue by the Board of Directors of the Company on 14 March 2024.

47 GENERAL

Number of employees

Total number of employees at the end of the year were 430 (2022: 377). Average number of employees during the year were 426 (2022: 381).



Suleman Khalid
Chief Financial Officer



Abdul Waheed
President & Chief Executive



Malik Riffat Mahmood
Director



Maj Gen Kamran Ali (Retd)
Director



Lt Gen Nauman Mahmood (Retd)
Chairman

WINDOW TAKAFUL OPERATIONS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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INDEPENDENT REASONABLE ASSURANCE REPORT

ON WINDOW TAKAFUL OPERATIONS OF ASKARI GENERAL INSURANCE COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2023

TO THE BOARD OF DIRECTORS ON THE STATEMENT OF MANAGEMENT'S ASSESSMENT OF COMPLIANCE WITH THE TAKAFUL RULES 2012

We were engaged by the Board of Directors (the Board) of Window Takaful Operations of Askari General Insurance Company Limited (the Company) to report on the management's assessment of compliance, as set out in the annexed Statement of Compliance (the Statement) prepared by the management for the year ended 31 December 2023, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of compliance with the Takaful Rules, 2012, in all material respects.

APPLICABLE CRITERIA

The criteria against which the subject matter information for the Statement is assessed comprise of the provisions of the Takaful Rules, 2012 as issued by the Securities and Exchange Commission of Pakistan (SECP).

MANAGEMENT'S RESPONSIBILITY FOR THE SHARIAH COMPLIANCE

The management of the Company is responsible for designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012.

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. They are also responsible for ensuring that the management, where appropriate, the Board of Directors, and personnel involved with the Takaful Operations, compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The management of the Company is responsible for preparation of the statement that is free from material misstatement.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and as adopted 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 issued by IAASB "International Standard on Quality Management (ISQM) 2 Engagement Quality Reviews and ISA 220 (Revised), Quality Management for an audit of Financial Statements", 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.

OUR RESPONSIBILITIES

Our responsibility is to examine the annexed statement of compliance with the Shariah Principles and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

1014, Uni Centre, 1.1. Chundrigar Road, Karachi, Pakistan.
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 : 021-3241-4163
Fax : 021-3241-6288
E-mail : sms@Smsco.pk mfsandco@Cyber.net.pk
URL : www.smsco.pk

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. A reasonable assurance is less than an absolute assurance.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed included;

- Evaluate the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah Advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Shariah Advisor and the Board of Directors;
- Test for a sample of transactions relating to Takaful operations to ensure that these are carried out in accordance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the statement of management's assessment of compliance of the Takaful transactions during the year ended December 31, 2023, with the Takaful Rules, 2012.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

CONCLUSION

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the statement, for the year ended December 31, 2023, presents fairly the status of compliance of the Company with the Takaful Rules, 2012, in all material respects.

The engagement partner on the Shariah audit resulting in this independent reasonable assurance report is Syed Imran Haider, FCA.



S.M. Suhail & Co.
Chartered Accountants
Karachi

Our Ref: SMS-A-05552024
February 08, 2024



Window Takaful Operations

Shariah Advisor's Report to the Board of Directors

For the year ended 31st December 2023

As shariah Advisor of Askari General Insurance Company Limited (Window Takaful Operations) I have carefully reviewed all the product documents including PTF policies, Takaful PMDs, Co-Takaful agreement, Re-Takaful agreement, Surplus Distribution Mechanism, Investment Policy and Mechanism, etc. I confirm that overall transactions and activities of Window Takaful Operations performed during the year are in line with guidelines of Shariah Advisor as well as requirements of Takaful Rules 2012.

According to my information Shariah principals have been followed in every aspect of practical implementation of Askari General Insurance Company Limited (Window Takaful Operation).

A handwritten signature in black ink, appearing to read 'E. W. Ahmad', with a stylized flourish at the end.

Mufti Ehsan Waqar Ahmad

Shariah Advisor
Askari General insurance Company Limited
(Window Takaful Operations)
January 29, 2024.

INDEPENDENT AUDITOR'S REPORT

To the Members of Askari General Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Askari General Company Limited – Window Takaful Operations, which comprise the statement of financial position of OPF and PTF as at December 31, 2023 and the statement of comprehensive income, the statement of changes in operator's fund and participant's takaful fund and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of Material Accounting Policy Information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position of OPF and PTF, the statement of comprehensive income, the statement of changes in operator's fund and participant's takaful fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Operator's affairs as at December 31, 2023 and total comprehensive income, the changes in Operator's fund and participant's takaful fund and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Operator in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Other information includes the director's 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 the audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of 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 Operator's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Operator or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Operator's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional 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 Operator's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Operator to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

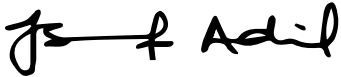
We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of comprehensive income, the statement of changes in operator's fund and participant's takaful fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Operator's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



Chartered Accountants

Islamabad

Date: 03 April 2024

UDIN: AR202310134TiOOfmPWH

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Operator's Fund		Participants' Takaful Fund	
		2023	2022	2023	2022
ASSETS		Rupees in thousand			
Property and equipment	5	655	943	-	-
Investments					
- Equity securities	6	218,256	157,303	218,218	184,629
- Debt securities	7	5,000	20,176	5,000	15,117
Loans and Other Receivables	8	9,766	6,686	2,032	878
Takaful/Retakaful receivable	9	-	-	185,473	113,137
Deferred wakala fee	21	-	-	95,871	80,661
Salvage recoveries accrued		-	-	6,179	3,900
Deferred taxation	11	-	298	-	-
Receivable from PTF	10	81,182	62,633	-	-
Retakaful recoveries against outstanding claims / Benefits	19	-	-	102,745	65,667
Deferred Commission expense/Acquisition cost	20	26,133	23,012	-	-
Taxation - provision less payments		-	3,632	-	-
Prepayments	12	28	201	85,265	80,464
Cash & Bank	13	100,852	92,076	144,158	111,363
Total Assets		441,872	366,960	844,941	655,816

The annexed notes 1 to 38 form an integral part of these financial statements.

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

FUNDS AND LIABILITIES	Note	Operator's Fund		Participants' Takaful Fund	
		2023	2022	2023	2022
Rupees in thousand					
Operator's Fund					
Statutory Fund		50,000	50,000	-	-
Reserves		287	(296)	-	-
Accumulated profit		238,379	198,337	-	-
Total Operator's Fund		288,666	248,041	-	-
Waqf/Participants' Takaful Fund					
Cede money		-	-	1,000	1,000
Reserves		-	-	-	117
Accumulated surplus		-	-	106,401	91,192
Balance of Participants' Takaful Fund		-	-	107,401	92,309
PTF Underwriting Provisions					
Outstanding claims including IBNR		-	-	202,972	140,103
Unearned contribution reserves		-	-	261,983	200,737
Unearned retakaful rebate		-	-	19,544	19,255
		-	-	484,499	360,095
Contribution received in advance		-	-	11,163	6,447
Takaful / retakaful payables	14	9,551	6,336	146,462	123,605
Unearned wakala fees	21	95,871	80,661	-	-
Payable to OPF	10	-	-	81,182	62,633
Deferred taxation	11	3	-	-	-
Taxation - provision less payments		10,662	-	-	-
Other creditors and accruals	15	37,119	31,922	14,234	10,727
		153,206	118,919	253,041	203,412
Total Liabilities		153,206	118,919	737,540	563,507
Total funds and liabilities		441,872	366,960	844,941	655,816
Contingencies and Commitments	16				

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
	Note	Rupees in thousand	
Participants' Takaful Fund			
Contributions earned		358,799	262,383
Less: Contribution ceded to retakaful		(256,985)	(184,403)
Net contribution revenue	17	101,814	77,980
Retakaful rebate earned	18	62,801	46,976
Net underwriting income		164,615	124,956
Net takaful benefits - reported / settled including IBNR	19	(178,936)	(98,328)
Other direct expenses	23	(6,780)	(7,500)
Surplus before investment income		(21,101)	19,128
Investment income	24	39,558	24,492
Other income	25	12,575	7,719
Less: Mudarib's share of investment income	26	(15,823)	(9,797)
Results of operating activities		36,310	22,414
Surplus transferred to accumulated surplus		15,209	41,542
Other comprehensive income			
Items that will be subsequently reclassified to the profit and loss account:			
Unrealized Gain/(loss) on available-for-sale investments		(117)	(606)
Other comprehensive income for the year		(117)	(606)
Total comprehensive income for the year		15,092	40,936
OPF Revenue Account			
Wakala fee	21	222,394	170,125
Commission expense	20	(68,750)	(49,248)
General administrative and Management expenses	22	(107,321)	(94,636)
		46,323	26,241
Modarib's share of PTF investment income	26	15,823	9,797
Investment income	24	35,787	19,784
Direct expenses	27	(610)	(484)
Other income	25	7,181	6,031
Results of operating activities		58,181	35,128
Profit before taxation		104,504	61,369
Taxation	28	(40,766)	(19,202)
Profit after taxation		63,738	42,167
Other comprehensive income			
Items that will be subsequently reclassified to profit and loss account			
Unrealized losses on available for sale investments - net		583	(887)
Other comprehensive income for the year		583	(887)
Total comprehensive income for the year		64,321	41,280

The annexed notes 1 to 38 form an integral part of these financial statements.



Suleman Khalid
Chief Financial Officer



Abdul Waheed
President & Chief Executive



Malik Riffat Mahmood
Director



Maj Gen Kamran Ali (Retd)
Director



Lt Gen Nauman Mahmood (Retd)
Chairman

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Operator's Fund		Participants' Takaful Fund	
	2023	2022	2023	2022
Rupees in thousand				
Operating Cash Flows				
a) Takaful activities				
Contribution received	-	-	579,181	416,345
Re-takaful Contribution paid	-	-	(193,836)	(157,726)
Claims paid	-	-	(241,557)	(188,617)
Re-takaful and other recoveries received	-	-	59,581	33,447
Commission paid	(63,099)	(42,937)	-	-
Re-takaful rebate received	-	-	43,514	37,295
Wakala fee received/ (paid)	217,880	167,881	(217,880)	(167,881)
Modarib's share received / (paid)	16,996	5,541	(16,996)	(5,541)
Management / Direct expenses paid	(96,767)	(89,976)	(6,780)	(7,500)
Net cash flows generated from underwriting activities	75,010	40,509	5,227	(40,178)
b) Other operating activities:				
Income tax paid	(26,172)	(14,158)	-	-
Other expenses paid	(184)	(184)	-	-
Other operating payments	(6,895)	(4,158)	(4,619)	(345)
Other operating receipts	1,132	5,006	4,007	20,851
Net cash (outflows) / inflow from other operating activities	(32,119)	(13,494)	(612)	20,506
Total cash flow from all operating activities	42,891	27,015	4,615	(19,672)
c) Investment activities:				
Profit / return received	6,607	4,415	12,211	6,456
Dividends received	23,777	10,918	26,829	16,153
Payment for investments	(50,210)	(11,882)	(108,850)	(13,434)
Proceeds from disposals of investments	17,025	21,832	97,990	14,998
Fixed capital expenditure	(244)	(802)	-	-
Total cash flow used in investing activities	(3,045)	24,481	28,180	24,173
d) Financing activities:				
Payment against Ijarah	(7,374)	(4,799)	-	-
Pay-out in respect of Dividend	(23,696)	(21,508)	-	-
Total cash flow from financing activities	(31,070)	(26,307)	-	-
Net cash flow from all activities	8,776	25,189	32,795	4,501
Cash and cash equivalents at beginning of the year	92,076	66,887	111,363	106,862
Cash and cash equivalents at end of the year	100,852	92,076	144,158	111,363

The annexed notes 1 to 38 form an integral part of these financial statements.

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Operator's Fund		Participants' Takaful Fund	
	2023	2022	2023	2022
Rupees in thousand				
Reconciliation to Profit and Loss Account:				
Operating cash flows	42,891	27,015	4,615	(19,672)
Depreciation expense	(531)	(468)	-	-
Gain / (loss) on disposal of investments	1,014	-	6,986	-
Dividend income	23,777	10,918	26,829	16,153
(Decrease) / increase in assets other than cash	24,154	18,953	169,878	131,870
(Increase) / decrease in liabilities other than running finance	(23,051)	(17,807)	(211,081)	(101,640)
Unrealized gain on investments held for trading	8,645	5,072	3,799	5,556
Investment income	2,351	3,794	1,944	2,783
Other income	6,456	4,532	12,239	6,492
Tax paid	26,172	14,158	-	-
Decrease in deposit against vehicle Ijarah	(7,374)	(4,799)	-	-
Reversal of diminution in value of AFS investments	(40,766)	(19,202)	-	-
Profit/ surplus for the year	63,738	42,167	15,209	41,542
Attributed to				
Operator's Fund	-	-	15,209	41,542
Participants' Takaful Fund	63,738	42,167	-	-
	63,738	42,167	15,209	41,542

Definition of cash :

Cash comprises of cash in hand, bank balances, stamp in hand and short term placements with banks which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.

Cash for the purpose of the statement of cash flows consist of:

	Operator's Fund		Participants' Takaful Fund	
	2023	2022	2023	2022
Rupees in thousand				
Cash and other equivalents	-	-	611	320
Current and other accounts	100,852	92,076	143,547	111,043
	100,852	92,076	144,158	111,363

The annexed notes 1 to 38 form an integral part of these financial statements.



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ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

STATEMENT OF CHANGES IN FUND

FOR THE YEAR ENDED 31 DECEMBER 2023

	Operator's Fund			
	Statutory Fund	Available for sale investments revaluation reserve	Accumulated Profit	Total
	Rupees in thousand			
Balance as at 01 January 2022	50,000	591	177,678	228,269
Total comprehensive income for the period				
Profit for the period	-	-	42,167	42,167
Other comprehensive loss for the period	-	(887)	-	(887)
	-	(887)	42,167	41,280
Changes in Operator's Fund				
Transfer of Profit to the Company	-	-	(21,508)	(21,508)
Balance as at 31 December 2022	50,000	(296)	198,337	248,041
Balance as at 01 January 2023	50,000	(296)	198,337	248,041
Total comprehensive income for the period				
Profit for the period	-	-	63,738	63,738
Other comprehensive income for the period	-	583	-	583
	-	583	63,738	64,321
Changes in Operator's Fund				
Transfer of Profit to the Company	-	-	(23,696)	(23,696)
Balance as at 31 December 2023	50,000	287	238,379	288,666
	Participants' Takaful Fund			
	Statutory Fund	Available for sale investments revaluation reserve	Accumulated Profit	Total
	Rupees in thousand			
Balance as at 01 January 2022	1,000	723	49,650	51,373
Total comprehensive income for the period				
Surplus for the period	-	-	41,542	41,542
Other comprehensive income for the period	-	(606)	-	(606)
	-	(606)	41,542	40,936
Balance as at 31 December 2022	1,000	117	91,192	92,309
Balance as at 01 January 2023	1,000	117	91,192	92,309
Total comprehensive income for the year				
Surplus for the year	-	-	15,209	15,209
Other comprehensive loss for the year	-	(117)	-	(117)
	-	(117)	15,209	15,092
Balance as at 31 December 2023	1,000	-	106,401	107,401

The annexed notes 1 to 38 form an integral part of these financial statements.

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ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART

OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

Askari general insurance company limited ("the Operator") was incorporated under the Companies Ordinance, 1984 (Repealed with the enactment of Companies Act, 2017 on May 30, 2017) on April 12, 1995. The Operator is registered in Pakistan Stock Exchange and is engaged in general insurance business. The registered office and principal place of the Operator is located at AWT Plaza, Rawalpindi.

The Operator has been allowed to undertake Window Takaful Operations (WTO) on 10 August 2015 by Securities and Exchange Commission of Pakistan under SECP Takaful Rules 2012 to carry on General Window Takaful Operations in Pakistan.

For the purpose of carrying on the takaful business, the Operator has formed a Waqf/ Participants' Takaful Fund (PTF) under the Waqf deed. The Waqf deed governs the relationship of Operator and participants for management of takaful operations.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements of the WTO have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IFAS) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017, provisions of and directive issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Takaful Rules, 2012 and the General Takaful Regulations, 2019. In case requirements differ, the provisions or directives of the Companies Act, 2017, Insurance Ordinance, 2000 the Takaful Rules, 2012, the General Takaful Accounting Regulations, 2019 shall prevail.

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

2.1 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for certain financial instruments which are stated at their fair values.

2.2 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Operator's functional and presentation currency. All financial information presented in Pak Rupees has been rounded to the nearest thousand.

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

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

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.

Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

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

	Effective from Accounting period beginning on or after
Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with Convents along with Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards

The SECP vide SRO 1715 (I) / 2023 dated November 21, 2023 has directed the companies engaged in insurance/takaful and re-insurance/re-takaful to follow IFRS 17 from January 01, 2026.

- IFRS 9 – Financial Instruments

IFRS 9 'Financial Instruments' has become applicable, however as an insurance company, the management has opted temporary exemption from the application of IFRS 9 as allowed by International Accounting Standards Board (IASB) for entities whose activities are predominantly connected with insurance. Additional disclosures, as required by the IASB, for being eligible to apply the temporary exemption from the application of IFRS 9 are given below:

The tables below set out the fair values as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately:

- (a) Financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(b) All other financial assets

Operator's Fund	Fail the SPPI test		Pass the SPPI test		
	Fair Value	Change in unrealized gain / (loss) during the period	Carrying Value	Cost less Impairment	Change in unrealized gain / (loss) during the period
Rupees in thousand					
Financial assets					
Cash and Bank*	-	-	100,852	-	-
Investment in equity securities - available-for-sale	215,340	8,645	-	-	-
Investment in debt securities - available-for-sale*	-	-	5,000	-	-
Loans and other receivables*	-	-	3,284	-	-
Total	215,340	8,645	109,136	-	-

Participation Takaful Fund	Fail the SPPI test		Pass the SPPI test		
	Fair Value	Change in unrealized gain / (loss) during the period	Carrying Value	Cost less Impairment	Change in unrealized gain / (loss) during the period
Rupees in thousand					
Financial assets					
Cash and Bank*	-	-	144,158	-	-
Investment in equity securities - available-for-sale	218,218	3,799	-	-	-
Investment in debt securities - available-for-sale*	-	-	5,000	-	-
Loans and other receivables*	-	-	1,717	-	-
Total	218,218	3,799	150,875	-	-

* The carrying amount of these financial assets measured applying IAS 39 are a reasonable approximation of their fair values.

3 MATERIAL ACCOUNTING POLICY INFORMATION

During the year, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

The accounting policies applied in the preparation of these financial statements are set out below:-

3.1 Property and Equipments

These are stated at cost less accumulated depreciation and impairment losses, if any, except for capital work in progress which is stated at cost less impairment losses, if any. Depreciation is charged on depreciable amount over the estimated useful life.

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART

OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Depreciation is charged on monthly basis where full depreciation is charged in the month of addition and no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognised separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the profit and loss account in the year in which they are incurred. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

3.2 Takaful contracts

Takaful contracts are those contracts where the Participants' Takaful Fund (PTF) has accepted significant Takaful risk from another party (the participants) by agreeing to compensate the participants if a specified uncertain future event adversely affects the policyholders.

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 accident 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, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, workers compensation etc. are included under Miscellaneous takaful cover.

3.3 Deferred commission expense Takaful contracts

Commission incurred in obtaining and recording are deferred and recognised as an asset. These costs are charged to the profit and loss account based on the pattern of recognition of contribution revenue.

3.4 Reserve for unearned contribution

The unearned portion of contribution net of Wakala fee is set aside as a reserve. Unearned Contribution determined as a ratio of the unexpired period of the policy and the total period, both measured to the nearest day, as specified in the Insurance Accounting Regulations, 2017.

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3.5 Contribution Deficiency Reserve

The Operator is required as per the General Takaful Accounting Regulations, 2019, 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 recoveries from claims, and supplementary expenses expected to be incurred after the reporting date in respect of the unexpired takaful contracts in that class of business at the reporting date. The movement in the contribution deficiency reserve is recorded as an expense in the profit and loss account.

The Operator determines adequacy of liability of contribution deficiency by carrying out analysis of its loss ratio of expired period of contracts. The liability of contribution deficiency in relation to accident and health takaful contracts is based on actuary recommendation.

No provision has been made as the unearned contribution reserve for each class of business as at the year end is adequate to meet the expected future liability after retakaful from claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at reporting date.

3.6 Retakaful contracts held

The Operator cedes retakaful in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Assets, liabilities, income and expense arising from ceded retakaful contracts are presented separately from the assets, liabilities, income and expense from the related takaful contracts because the retakaful arrangements do not relieve the PTF from its direct obligation to its policyholders.

3.7 Outstanding claims including incurred but not reported (IBNR)

The liability for IBNR is computed through Chain Ladder Method (Development technique) in light of the guidelines issued by Insurance Division of SECP vide its Circular 9 of 2016 dated March 09, 2016 for estimation of IBNR claims reserve, the liability for IBNR for all classes of business is based on actuary recommendation. Any significant change in assumption used event may affect the management's judgment which could affect the provision made for IBNR. Reinsurance recoveries against outstanding claims and salvage recoveries are recognized as an asset and are measured at the amount expected to be received.

3.8 Amount due to / from retakaful operators

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

3.9 Segment reporting

The Operator's operating businesses are recognised and managed separately according to the nature of services provided with each segment representing a strategic business unit that serves different markets.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, stamps in hand and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Operator in the management of its short-term commitments.

3.11 Revenue recognition

- a) Contribution income under a policy is recognised over the period of takaful net of wakala fee.
- b) Wakala fee charged from PTF is recognised upfront.

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

c) Rebate from retakaful operators is recognised at the same time of takaful of underlying takaful policy by the Operator.

d) Dividend income is recognised when the right to receive the dividend is established.

e) Profit on Islamic investment products is recognised on an accrual basis.

f) Wakala fee charged from PTF is recognised upfront.

g) Gain / loss on sale of available for sale investments are included in profit and loss account.

3.12 Ijarah

Ijarah rentals are recognised as an expense on accrual basis as an when the rental become due.

3.13 Investments

3.13.1 Classification

The classification of financial assets is determined at initial recognition and depends on the purpose for which the financial assets were acquired. Currently, the financial assets of the Operator are classified into the following categories:

a) In equity securities

Investments in equity securities are carried at through there fair value. At each reporting date, the Company measures the investments at there fair value with any increase or decrease charged to Profit and Loss Account. Upon disposal the proceeds less fair value at the previous reporting date is charged to Profit and Loss.

b) In debt securities

These are investments with fixed or determinable payments and fixed maturities which the Company has the intention and ability to hold till maturity. Provision for impairment against debt securities is made in accordance with the requirements of the law. In case of unquoted equity securities, the breakup value of the security should be considered to determine impairment amount. Premium or discount on debt securities classified as available for sale and held to maturity is amortised using effective interest method and taken to the profit and loss account. Where the fair value of the debt security is available, unrealised gains/losses are recognised in other comprehensive income and upon disposal are reclassified to profit and loss.

c) In term deposit

These are investments with fixed or determinable payments and fixed (short term) maturities which the Company has the intention and ability to hold till maturity.

Investments which are designated at fair value through profit or loss upon initial recognition.

d) Loans and receivables

Loans and receivables comprise cash and bank deposits, contribution due but unpaid, amounts due from other Takaful & Retakaful operators and sundry receivables.

3.14 Offsetting of financial assets and liabilities

A financial asset and financial liability other than those relating to takaful contract is offset and net amount is reported in the balance sheet when the operator has a legally right to set-off the recognised amounts and it intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3.15 Provisions

Provisions are recognised when the Operator has a legal or constructive obligation as a result of a past event and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, the provisions are reviewed at balance sheet date and adjusted to reflect current best estimates.

3.16 Taxation

Current

Provision of current tax is based on the 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 finalized during the current year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences unused tax losses and tax credits can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized 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 other comprehensive income or equity in which case it is included in other comprehensive income or equity.

3.17 Takaful surplus

Takaful surplus attributable to the participants is arrived after charging all direct cost and setting aside various reserves.

3.18 Impairment of assets

The carrying amount of assets are reviewed at each reporting 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 asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset fair value less cost to sell and value in use. Impairment losses are recognised in profit and loss account.

3.19 Management expenses

Expenses allocated to the takaful business represents directly attributable expenses. Expense not directly allocable to takaful business are charged to OPF and allocated on the basis of gross contribution written during the year.

3.20 Qard-e-Hasna

Qard-e-Hasna is provided by Operator's fund to PTF in case of deficit or to fulfill cash flow requirements.

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgements, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the revision and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

	Note
- Reserve for unearned contribution	3.4
- Contribution deficiency reserve	3.5
- Provision for outstanding claims (including IBNR)	3.7
- Provision for Taxation	3.16
- Useful lives of fixed assets	5.1

	Note	2023	2022
		Rupees in thousand	
5 PROPERTY AND EQUIPMENT			
Operating assets	5.1	655	943
		655	943

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

6 INVESTMENTS IN EQUITY SECURITIES

	Note	2023		2022		
		Cost/ Carrying value	Unrealised gain/(loss)	Carrying value	Cost/ Carrying value	Unrealised gain/(loss)
Rupees in thousand						
OPERATOR'S FUNE						
Available-for-sale						
Others						
Mutual funds	6.1	2,500	-	2,500	2,500	2,500
Unrealized Gain / (loss) on revaluation		-	-	416	-	(668)
		2,500	-	2,916	2,500	1,832
At fair value through profit and loss						
Others						
Mutual funds	6.2	206,695	8,645	215,340	150,399	155,471
		206,695	8,645	215,340	150,399	155,471
Total		209,195	8,645	218,256	152,899	157,303
PARTICIPANTS' TAKAFUL FUND						
At fair value through profit and loss						
Related Parties						
Mutual funds	6.3	47,440	299	47,739	38,329	1,568
		47,440	299	47,739	38,329	39,897
Others						
Mutual funds	6.3	166,979	3,500	170,479	140,743	3,989
		214,419	3,799	218,218	179,072	5,557
						184,629

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Number of shares / units		2023		2022		
	2023	2022	Cost	Carrying value	Cost	Carrying value	
Rupees in thousand							
6.1	Available-for-sale - OPF						
	Others						
	Open-end mutual funds						
	AKD Islamic Stock Fund	50,940	50,940	2,500	2,916	2,500	1,832
				2,500	2,916	2,500	1,832
6.2	Fair value through profit and loss - held for trading - OPF						
	Others						
	Open-end mutual funds						
	ABL Islamic Income Fund	3,466,158	3,141,338	37,150	39,058	33,187	33,822
	JS Islamic Income Fund	503,379	449,145	55,810	58,805	47,888	50,084
	NBP Islamic Mahana Amadani Fund	4,575,424	4,054,884	48,822	51,059	42,230	43,582
	Alhamra Islamic Income Fund	288,283	256,383	31,246	32,751	27,094	27,983
	AKD Islamic Daily Dividend Fund	673,347	-	33,667	33,667	-	-
				206,695	215,340	150,399	155,471
6.3	Fair value through profit and loss - held for trading - OPF						
	Others						
	Open-end mutual funds						
	AWT (PIML) Islamic Income Fund	452,498	355,726	47,440	47,739	38,329	39,897
	Others						
	Open-end mutual funds						
	AKD Islamic Income Fund	-	758,373	-	-	39,466	41,277
	Atlas Islamic Income Fund	68,037	60,329	36,614	38,307	31,638	32,705
	HBL Islamic Income Fund	342,930	299,575	37,515	39,322	31,948	33,060
	ABL Islamic Cash Fund	4,410,414	3,769,080	44,104	44,104	37,691	37,691
	AKD Islamic Daily Dividend Fund	974,924	-	48,746	48,746	-	-
				214,419	218,218	179,072	184,629

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

7 INVESTMENTS IN DEBT SECURITIES

	Note	2023			2022		
		Cost/ Carrying value	Unrealised gain/(loss)	Carrying value	Cost/ Carrying value	Unrealised gain/(loss)	Carrying value
Rupees in thousand							
Operator's Fund							
Available-for-sale							
Sukuks	7.1	5,000	-	5,000	20,000	-	20,000
Profit on revaluation				-			176
		5,000	-	5,000	20,000	-	20,176
Participants' takaful fund							
Available-for-sale							
Sukuks	7.2	5,000	-	5,000	15,000	-	15,000
Surplus on revaluation				-			117
		5,000	-	5,000	15,000	-	15,117

7.1 Sukuks -OPF

Investee Name	Profit Rate	Number of certificates		2023		2022	
		2023	2022	Cost	Carrying value	Cost	Carrying value
Rupees in thousand							
Meezan Bank Ltd.	Based on monthly Shariah pool	5	5	5,000	5,000	5,000	5,000
The Hub Power Co. Ltd.	3 Month KIBOR Plus 190 bps	-	150	-	-	15,000	15,176
				5,000	5,000	20,000	20,176

7.2 Sukuks -PTF

Meezan Bank Ltd.	Based on monthly Shariah pool	5	5	5,000	5,000	5,000	5,000
The Hub Power Co. Ltd.	3 Month KIBOR Plus 190 bps	-	100	-	-	10,000	10,117
				5,000	5,000	15,000	15,117

8 LOANS AND OTHER RECEIVABLE - CONSIDERED GOOD

	Operator's Fund		Participants' Takaful Fund	
	2023	2022	2023	2022
Rupees in thousand				
Receivable against sale of asset	156	546	-	-
Deposit against Ijarah - vehicles	5,921	5,347	-	-
Accrued investment income	405	555	315	287
Other receivable	3,284	238	1,717	591
	9,766	6,686	2,032	878

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

9	TAKAFUL/RETAKAFUL RECEIVABLES				
	Due from takaful contract holders	-	-	133,627	90,902
	Provision against doubtful balances	-	-	(222)	(222)
		-	-	133,405	90,680
	Due from other Takaful/Retakaful Operators	-	-	53,239	23,628
	Provision against doubtful balances	-	-	(1,171)	(1,171)
		-	-	52,068	22,457
		-	-	185,473	113,137

9.1 This includes contribution amounting to Rs.6.422 million (31 December 2022: 1.187 million) receivable from the associated undertakings.

	2023	2022
	Rupees in thousand	
Askari Guards (Private) Limited	2,754	1,182
Mobil Askari Lubricants Pakistan Limited	299	5
Askari Life Assurance Co. Ltd.	443	-
AWT Investments Limited	2,926	-
	6,422	1,187

	Operator's Fund		Participants' Takaful Fund	
	2023	2022	2023	2022
10	RECEIVABLE / (PAYABLE) (Current account between OPF and PTF)			
	Rupees in thousand			
Wakala fee	77,175	57,453	(77,175)	(57,453)
Less: Provision for refund of wakala fee against doubtful balances	(408)	(408)	408	408
	76,767	57,045	(76,767)	(57,045)
Mudarib's fee	4,415	5,588	(4,415)	(5,588)
	81,182	62,633	(81,182)	(62,633)

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

		Operator's Fund			
11	DEFERRED TAXATION	2023		2022	
	Deferred tax credit arising in respect of:	Rupees in thousand			
	Unrealised gain on available-for-sales investments/Temporary Taxable Differences	162		(163)	
	Deferred tax debit arising in respect of:				
	Provision for refund of wakala fee against doubtful balances/Deductible Temporary Differences	(159)		(135)	
		3		(298)	
		Operator's Fund		Participants' Takaful Fund	
		2023	2022	2023	2022
		Rupees in thousand			
12	PREPAYMENTS				
	Prepaid retakaful contribution ceded - PTF	-	-	85,265	80,464
	Others - OPF	28	201	-	-
		28	201	85,265	80,464
13	CASH AND BANK				
	Cash and Cash Equivalent				
	Stamps in hand	-	-	611	320
	Cash at bank				
	- Savings account	100,852	92,076	143,547	111,043
		100,852	92,076	144,158	111,363
14	TAKAFUL/RETAKAFUL PAYABLES				
	Due to Local takaful/retakaful operators	9,551	6,336	146,462	123,605
		9,551	6,336	146,462	123,605
15	OTHER CREDITORS AND ACCRUALS				
	Agents' commission payable	27,456	21,898	-	-
	Federal takaful fee payable	-	-	549	593
	Federal excise duty payable	297	161	7,836	7,796
	Tax deducted at source	788	517	1,027	380
	Accrued expenses	4,559	1,084	-	-
	Funds received against leased vehicles	2,570	2,253	-	-
	Others	1,449	6,009	4,822	1,958
		37,119	31,922	14,234	10,727

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

16 CONTINGENCIES AND COMMITMENTS

Contingency

There is no contingency as at 31 December 2023 (31 December 2022:Nil)

Commitments

The Operator's commitment under Ijarah arrangement with Meezan Bank Limited is Rs.20.94 million (31 December 2022: Rs.18.58 million). The contracts have a term of five years.

Future Minimum Ijarah (lease) payments are as under:

	Operator's Fund	
	2023	2022
	Rupees in thousand	
Not later than 1 year	6,035	4,313
Later than 1 year but not later than 5 years	14,903	14,262
	20,938	18,575
Ijarah payments recognized in Expense during the period	6,800	4,088

Participants' Takaful Fund

	2023	2022
	Rupees in thousand	

17 NET CONTRIBUTION

Written Gross Contribution	642,439	457,887
Less: Wakala fee	(237,604)	(181,704)
Contribution Net of Wakala Fee	404,835	276,183
Add: Unearned contribution reserve opening - net	120,076	106,276
Less: Unearned contribution reserve closing - net	(166,112)	(120,076)
Contribution earned	358,799	262,383
Less: Retakaful Contribution ceded	261,785	195,321
Add: Prepaid retakaful contribution opening	80,465	69,546
Less: Prepaid retakaful contribution closing	(85,265)	(80,464)
Retakaful expense	256,985	184,403
Net takaful contribution	101,814	77,980

18 REBATE FROM RETAKAFUL OPERATORS

Retakaful Rebate income	63,090	49,891
Add: Unearned retakaful rebate opening	19,255	16,340
Less: Unearned retakaful rebate closing	(19,544)	(19,255)
Rebate from retakaful operators	62,801	46,976

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

		Participants' Takaful Fund	
		2023	2022
19	NET TAKAFUL BENEFITS / CLAIMS EXPENSE	Rupees in thousand	
	Claim paid	241,557	188,617
	Add: Outstanding claims including IBNR closing	202,972	140,103
	Less: Outstanding claims including IBNR opening	(140,103)	(132,662)
	Claim expense	304,426	196,058
	Less: Retakaful and other recoveries received	88,412	81,958
	Add: Retakaful and other recoveries in respect of outstanding claims - closing	102,745	65,667
	Less: Retakaful and other recoveries in respect of outstanding claims - opening	(65,667)	(49,895)
	Retakaful and other recoveries revenue	125,490	97,730
	Net takaful claim expense	178,936	98,328

19.1 BENEFIT / CLAIM DEVELOPMENT

The Company maintains adequate reserves in respect of its takaful business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year. The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before retakaful.

Accident Year	2018 & prior	2019	2020	2021	2022	2023	Total
Rupees in thousand							
At the end of accident year	131,923	129,870	161,125	178,941	227,535	337,141	1,166,535
One year later	31,858	51,377	89,496	79,780	80,060	-	332,571
Two years later	2,632	5,810	20,432	16,217	-	-	45,091
Three years later	677	768	10,468	-	-	-	11,913
Four years later	163	520	-	-	-	-	683
Five year later	124	-	-	-	-	-	124
Current estimate of cumulative claims	124	520	10,468	16,217	80,060	337,141	444,529
Less: Cumulative payments to date	10	30	127	1,096	58,360	181,932	241,557
Liability recognized in statement of financial position	114	490	10,340	15,120	21,699	155,209	202,972

19.2 The provision for IBNR on the basis of actuarial valuation carried out as at December 31, 2023 amounted to Rs.84,691 thousands (2022: Rs. 58,997 thousands).

		Operator's Fund	
		2023	2022
		Rupees in thousand	
20	COMMISSION EXPENSE		
	Commission paid or payable	71,871	52,575
	Add: Deferred commission expense opening	23,012	19,685
	Less: Deferred commission expense closing	(26,133)	(23,012)
	Commission expense	68,750	49,248

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

21	WAKALA FEE	Operator's Fund		Participants' Takaful Fund	
		2023	2022	2023	2022
		Rupees in thousand		Rupees in thousand	
	The Operator manages the general takaful operations for the participants and charges 35% for fire and property damage, 35% for marine and aviation, 45% for motor, 25% for health and accident and 40% for miscellaneous of the gross contribution written as wakala fee against the services as follows:				
	Gross wakala fee	237,604	181,704	237,604	181,704
	Add: Unearned wakala fee opening	80,661	69,082	80,661	69,082
	Less: Unearned wakala fee closing	(95,871)	(80,661)	(95,871)	(80,661)
	Net wakala fee income	222,394	170,125	222,394	170,125
		Note	2023	2022	
22	GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSES				
	Employee benefit cost	22.1	68,589	61,824	
	Rent		11,942	12,896	
	Communication		1,823	2,085	
	Printing and stationery		3,952	2,883	
	Travelling and entertainment		1,973	1,585	
	Depreciation		531	467	
	Repairs and maintenance		1,916	2,386	
	Utilities		6,185	5,399	
	Legal and professional charges - business related		29	-	
	Bank charges		25	21	
	Vehicle ljarah expenses		6,800	4,088	
	Miscellaneous		3,556	1,002	
			107,321	94,636	
22.1	Employee benefit cost				
	Salary, allowances and other benefits		63,435	57,252	
	Charges for post employment benefits		5,154	4,572	
			68,589	61,824	
		Participants' Takaful Fund			
		2023	2022		
23	OTHER DIRECT EXPENSES	Rupees in thousand			
	Tracker installation and monitoring charges	6,656	7,411		
	Inspection charges	9	-		
	Bank Charges	115	89		
		6,780	7,500		

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Operator's Fund		Participants' Takaful Fund	
	2023	2022	2023	2022
	Rupees in thousand			
24	INVESTMENT INCOME			
	Income from equity securities - Held for trading			
- Dividend income	23,777	10,918	26,829	16,153
- Gain on trading	1,014	-	6,986	-
	24,791	10,918	33,815	16,153
	Income from debt securities - Available-for-sale			
- Return on fixed income securities	2,351	3,794	1,944	2,783
	27,142	14,712	35,759	18,936
	Net unrealized gains on investment			
- Net unrealized gains on investments at fair value through profit or loss - held for trading	8,645	5,072	3,799	5,556
Total investment income	35,787	19,784	39,558	24,492
25	OTHER INCOME			
Return on bank balances	6,456	4,532	12,239	6,492
Miscellaneous	725	1,499	336	1,227
	7,181	6,031	12,575	7,719
26	MODARIB'S FEE			
	The Operator manages the participants' investments as a Modarib and charge 40% Modarib's share of the investment income earned by PTF.			

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

		Operator's Fund	
		2023	2022
		Rupees in thousand	
27	DIRECT EXPENSES		
	Auditors' remuneration	420	303
	Shariah Compliance Auditors' remuneration	190	181
		610	484
28	TAXATION		
	For the year		
	Current	41,067	18,781
	Deferred	(301)	421
		40,766	19,202
28.1	Relationship between tax expense and accounting profit		
		2023	2022
		2023	2022
		Effective tax rate - %	Rupees in thousand
	Profit for the year before taxation	104,504	61,369
	Tax at the applicable rate	39%	33%
	Effect of items that are not considered in determining taxable income - net	-4%	-2%
		35%	31%
		37,085	19,202
29	COMPENSATION OF EXECUTIVES		
		Operator's Fund	
		Executives	
		2023	2022
		Rupees in thousand	
	Managerial remuneration	1,484	1,311
	Bonus	645	385
	Rent and house maintenance	668	581
	Utilities	148	129
	Conveyance	4	489
	Provident fund	124	108
	Others	77	44
		3,150	3,047
	Number of persons	1	1

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

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

30 RELATED PARTY TRANSACTIONS

The related parties comprise of directors, major shareholders, key management personnel, entities under common control, entities with common directors and employees retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms.

Transaction and balances with related parties for the period are as follows:

	2023	2022
Contribution due:	Rupees in thousand	
Askari Guards (Private) Limited	2,754	1,182
Mobil Askari Lubricants Pakistan Limited	299	5
Askari Life Assurance Co. Ltd.	443	-
AWT Investments Limited	2,926	-
	6,422	1,187
Transactions during the period		
Army Welfare Turst		
Contribution written (including government levies and stamp duties)	6,897	-
Contribution received during the year	267	8
Askari Guards (Private) Limited		
Contribution written (including government levies and stamp duties)	4,510	-
Contribution received during the year	2,938	374
Takaful benefits paid	238	569
Mobil Askari Lubricants Pakistan Limited		
Contribution written (including government levies and stamp duties)	8,661	3,297
Contribution received during the year	8,367	3,321
Takaful benefits paid	1,700	385
Army Welfare Suger Mills		
Contribution written (including government levies and stamp duties)	-	2,210
Contribution received during the year	-	2,210
Askari Life Assurance Company Ltd		
Contribution written (including government levies and stamp duties)	6,427	306
Contribution received during the year	5,984	26
Takaful benefits paid	3,082	1
Askari Development and holding (Pvt) Ltd		
Contribution written (including government levies and stamp duties)	914	1,014
Contribution received during the year	346	1,014
AWT INVESTMENTS LIMITED		
Contribution written (including government levies and stamp duties)	5,967	-
Contribution received during the year	3,041	-
Takaful benefits paid	1,500	-
Others		
Employees' retirement benefits	7,407	1,687

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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SEGMENT INFORMATION

Business class wise revenue and results have been disclosed in the profit and loss account prepared in line with the format issued by SEOP through SEC (Insurance) Rules, 2017, vide SEOP S.R.O. No 89 (1/2017 dated 9 February, 2017. The following table presents estimated information regarding certain assets and liabilities of the segments as at 31 December 2023 and 31 December 2022, unallocated capital expenditure and non-cash expenses during the year then ended.

Period ended 31 December 2023 - OPF & PTF

	Year ended 31 December 2023					
	Fire and property damage	Marine, aviation and transport	Motor	Accident and Health	Miscellaneous	TOTAL
	Rupees in thousand					
Contribution receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and Stamp duty)	197,052	102,899	285,671	108,395	33,746	727,763
Less: Federal Excise Duty	(22,557)	(11,108)	(36,392)	(14)	(3,536)	(73,607)
Federal Takaful Fee	(1,513)	(837)	(2,392)	(1,073)	(226)	(6,041)
Stamp duty	(64)	(5,405)	(183)	-	(24)	(5,676)
Gross written contribution	172,918	85,549	246,704	107,308	29,960	642,439
Gross direct contribution	152,912	85,386	239,404	107,308	22,648	607,658
Facultative inward contribution	20,006	163	7,300	-	7,312	34,781
Takaful contribution earned	155,125	102,094	233,099	61,900	28,975	581,193
Wakala expense	(54,751)	(35,645)	(104,933)	(15,475)	(11,590)	(222,394)
Takaful contribution ceded to retakaful operators	(135,109)	(77,055)	(24,582)	-	(20,239)	(256,985)
Net takaful contribution	(34,735)	(10,606)	103,584	46,425	(2,854)	101,814
Retakaful Rebate income	34,125	20,640	3,788	-	4,248	62,801
Net underwriting income	(610)	10,034	107,372	46,425	1,394	164,615
Takaful claims	(26,333)	(70,929)	(140,388)	(43,612)	(23,164)	(304,426)
Takaful claims recovered from retakaful operators	16,212	48,477	37,770	-	23,031	125,490
Net takaful claims	(10,121)	(22,452)	(102,618)	(43,612)	(133)	(178,936)
PTF Direct expense	(41)	(21)	(6,697)	(15)	(6)	(6,780)
Net takaful claims and expenses	(10,162)	(22,473)	(109,315)	(43,627)	(139)	(185,716)
Underwriting result	(10,772)	(12,439)	(1,943)	2,798	1,255	(21,101)
Net investment income						39,558
Other income						12,575
Mudarib's share						(15,823)
Surplus for the year						15,209
As at 31 December 2023						
Segment assets	105,665	51,675	206,672	67,628	43,893	475,533
Unallocated assets						369,408
Total assets						844,941
Segment liabilities	94,850	74,755	291,259	117,960	48,611	627,435
Unallocated liabilities						110,105
Total liabilities						737,540

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

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FOR THE YEAR ENDED 31 DECEMBER 2023

Operator's Fund	Fire and property damage	Marine, aviation and transport	Motor	Accident and Health	Miscellaneous	TOTAL
	Rupees in thousand					
Wakala Fee	54,751	35,645	104,933	15,475	11,590	222,394
Commission expense	(27,693)	(18,154)	(16,527)	(2,345)	(4,031)	(68,750)
Management expenses	(18,900)	(12,218)	(61,752)	(9,171)	(5,280)	(107,321)
Segment result	8,158	5,273	26,654	3,959	2,279	46,323
Mudarib's share of PTF investment income						15,823
Investment income						35,787
Other income						7,181
Other expenses						(610)
Profit for the year						104,504
	As at 31 December 2023					
Segment assets	33,319	14,431	46,350	7,857	5,358	107,315
Unallocated assets						334,557
						441,872
Segment liabilities	31,626	6,951	63,801	15,488	5,461	123,327
Unallocated liabilities						29,879
Total liabilities						153,206

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

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FOR THE YEAR ENDED 31 DECEMBER 2023

	For the year ended 31 December 2022						TOTAL
	Fire and property damage	Marine, aviation and transport	Motor	Accident and Health	Miscellaneous		
Participants' Takaful Fund							
	Rupees in thousand						
Contribution receivable (inclusive of Federal Excise Duty, Federal Takaful Fee and Stamp duty)	144,035	84,524	251,129	21,945	28,039	529,672	
Less: Federal Excise Duty	(17,129)	(9,912)	(32,140)	-	(3,331)	(62,512)	
Federal Takaful Fee	(1,150)	(689)	(2,124)	(217)	(215)	(4,395)	
Stamp duty	(62)	(4,597)	(211)	-	(8)	(4,878)	
Gross written contribution	125,694	69,326	216,654	21,728	24,485	457,887	
Gross direct contribution	112,857	68,521	210,631	21,728	21,142	434,879	
Facultative inward contribution	12,837	805	6,023	-	3,343	23,008	
Takaful contribution earned	116,680	64,809	207,589	19,444	23,986	432,508	
Wakala expense	(40,417)	(22,470)	(92,763)	(4,861)	(9,594)	(170,125)	
Takaful contribution ceded to retakaful operators	(100,360)	(46,822)	(23,915)	-	(13,306)	(184,403)	
Net takaful contribution	(24,097)	(4,483)	90,891	14,583	1,086	77,980	
Retakaful Rebate income	26,339	13,570	3,933	-	3,134	46,976	
Net underwriting income	2,242	9,087	94,824	14,583	4,220	124,956	
Takaful claims	(64,296)	(14,139)	(98,527)	(6,155)	(12,941)	(196,058)	
Takaful claims recovered from retakaful operators	58,653	10,879	19,982	-	8,216	97,730	
Net takaful claims	(5,643)	(3,260)	(78,545)	(6,155)	(4,725)	(98,328)	
PTF Direct expense	(26)	(14)	(7,450)	(5)	(5)	(7,500)	
Net takaful claims and expenses	(5,669)	(3,274)	(85,995)	(6,160)	(4,730)	(105,828)	
Underwriting result	(3,427)	5,813	8,829	8,423	(510)	19,128	
Net investment income						24,492	
Other income						7,719	
Mudarib's share						(9,797)	
Surplus for the year						41,542	
	As at 31 December 2022						
Segment assets	105,053	45,765	152,469	15,885	24,656	343,828	
Unallocated assets						311,968	
Total assets						655,816	
Segment liabilities	92,347	50,454	252,028	36,059	33,643	466,531	
Unallocated liabilities						96,976	
Total liabilities						563,507	

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Operator's Fund	For the year ended 31 December 2022						TOTAL
	Fire and property damage	Marine, aviation and transport	Motor	Accident and Health	Miscellaneous		
	Rupees in thousand						
Wakala Fee	40,417	22,470	92,783	4,861	9,594	170,125	
Commission expense	(20,631)	(11,439)	(14,161)	(571)	(2,446)	(49,248)	
Management expenses	(15,491)	(8,636)	(61,554)	(3,359)	(5,596)	(94,636)	
Segment result	4,295	2,395	17,068	931	1,552	26,241	
Mudarib's share of PTF investment income						9,797	
Investment income						19,784	
Other income						6,031	
Other expenses						(484)	
Profit for the year						61,369	
	As at 31 DECEMBER 2022						
Segment assets	24,080	12,165	37,509	2,024	4,278	80,056	
Unallocated assets						286,904	
						366,960	
Segment liabilities	26,738	12,664	61,242	3,033	5,228	108,895	
Unallocated liabilities						10,024	
Total liabilities						118,919	

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32 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

32.1 Operator's Fund	2023							
	Held-for-trading	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Rupees in thousand								
Financial assets measured at fair value								
Investment at fair value through profit and loss	215,340	-	-	-	215,340	215,340	-	-
Investment at available for sale	-	7,916	-	-	7,916	2,776	-	5,140
Financial assets not measured at fair value								
Cash and bank deposits	-	-	100,852	-	100,852	-	-	-
Loans and other receivables*	-	-	9,766	-	9,766	-	-	-
Receivable from PTF	-	-	81,182	-	81,182	-	-	-
Financial liabilities not measured at fair value								
Takaful / Retakaful payables*	-	-	-	(9,551)	(9,551)	-	-	-
Other creditors and accruals*	-	-	-	(33,464)	(33,464)	-	-	-
Unearned wakala fees*	-	-	-	(95,871)	(95,871)	-	-	-
	215,340	7,916	191,800	(138,886)	276,170	218,116	-	5,140

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2022								
	Held-for-trading	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Rupees in thousand								
Financial assets not measured at fair value								
Investment at fair value through profit and loss	155,471	-	-	-	155,471	155,471	-	-
Investment at available for sale		22,008	-	-	22,008	17,008	-	5,000
Financial assets not measured at fair value								
Cash and bank deposits	-	-	92,076	-	92,076	-	-	-
Loans and other receivables*	-	-	6,686	-	6,686	-	-	-
Receivable from PTF	-	-	62,633	-	62,633	-	-	-
Financial liabilities not measured at fair value								
Takaful / Retakaful payables*	-	-	-	(6,336)	(6,336)	-	-	-
Other creditors and accruals*	-	-	-	(28,991)	(28,991)	-	-	-
Unearned wakala fees*	-	-	-	(80,661)	(80,661)	-	-	-
	155,471	22,008	161,395	(115,988)	222,886	172,479	-	5,000

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32.2 Participants' Takaful Fund	2023							
	Held-for-trading	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Rupees in thousand								
Financial assets measured at fair value								
Investment at fair value through profit and loss	218,218	-	-	-	218,218	218,218	-	-
Investment at available for sale		5,000	-	-	5,000	-	-	5,140
Financial assets not measured at fair value								
Cash and bank deposits	-	-	144,158	-	144,158	-	-	-
Takaful/Retakaful receivable*	-	-	185,473	-	185,473	-	-	-
Retakaful recoveries against outstanding claims*	-	-	-	102,745	102,745	-	-	-
Deferred wakala fee*	-	-	-	95,871	95,871	-	-	-
Financial liabilities not measured at fair value								
Provision for outstanding claims (including IBNR)*	-	-	-	(202,972)	(202,972)	-	-	-
Takaful / Retakaful payables*	-	-	-	(146,462)	(146,462)	-	-	-
Payable to OPF	-	-	-	(81,182)	(81,182)	-	-	-
Other creditors and accruals*	-	-	-	(4,822)	(4,822)	-	-	-
	218,218	5,000	329,631	(236,822)	316,027	218,218	-	5,140

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	2022							
	Held-for-trading	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Rupees in thousand								
Financial assets measured at fair value								
Investment at fair value through profit and loss	144,732	-	-	-	144,732	144,732	-	-
Investment at available for sale	-	15,117	-	-	15,117	10,117	-	5,000
Financial assets not measured at fair value								
Cash and bank deposits	-	-	111,363	-	111,363	-	-	-
Takaful/Retakaful receivable*	-	-	113,137	-	113,137	-	-	-
Retakaful recoveries against outstanding claims*	-	-	-	65,667	65,667	-	-	-
Deferred wakala fee*	-	-	-	80,661	80,661	-	-	-
Financial liabilities not measured at fair value								
Provision for outstanding claims (including IBNR)*	-	-	-	140,103	140,103	-	-	-
Takaful / Retakaful payables*	-	-	-	123,605	123,605	-	-	-
Payable to OPF	-	-	-	62,633	62,633	-	-	-
Other creditors and accruals*	-	-	-	(1,958)	(1,958)	-	-	-
	144,732	15,117	224,500	470,711	855,060	154,849	-	5,000

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

Fair value is an amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction.

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

The Operator measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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33 STATEMENT OF SOLVENCY	2023
Assets	Rupees in thousand
Investment	
Equity securities	218,218
Debt securities	5,000
Loans and other receivables	2,032
Takaful/Retakaful receivables	185,473
Deferred wakala fee	95,871
Salvage recoveries accrued	6,179
Retakaful recoveries against outstanding claims	102,745
Tax deducted at source	-
Prepayments	85,265
Cash & Bank	144,158
Total Assets (A)	844,941
In-admissible assets as par following clauses of section 32 (2) of the Insurance Ordinance, 2000	
Takaful and retakaful receivable for more than three months	92,270
Receivable from related parties	6,422
Total In-admissible Assets (B)	98,692
Total Admissible Assets (C=A-B)	746,249
Total Liabilities	
Underwriting Provisions	
Outstanding benefits including IBNR	202,972
Unearned contribution reserves	261,983
Unearned retakaful rebate	19,544
Contribution received in advance	11,163
Takaful/ Retakaful payable	146,462
Payable to OPF / PTF	81,182
Other creditors and accruals	14,234
Total Liabilities (D)	737,540
Total Net Admissible Assets (E=C-D)	8,709

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	Available- for-sale	Fair value through P&L	Total
Rupees in thousand			
34	MOVEMENT IN INVESTMENTS - OPF		
At beginning of previous year	38,331	141,119	179,450
Additions / Re-investments	-	11,882	11,882
Disposals (sales and redemptions)	(15,000)	-	(15,000)
Fair value net (loss)/gain	-	2,470	2,470
Impairment gains / (losses)	(1,323)	-	(1,323)
At beginning of current year	22,009	155,471	177,479
Additions / Re-investments	-	86,296	86,296
Disposals (sales and redemptions)	(15,000)	(30,000)	(45,000)
Fair value net (loss)/gain	908	3,573	4,481
At end of current year	7,917	215,340	223,256
Rupees in thousand			
35	MOVEMENT IN INVESTMENTS - PTF		
At beginning of previous year	25,723	167,853	193,576
Additions / Re-investments	-	13,434	13,434
Disposals (sales and redemptions)	(10,000)	-	(10,000)
Fair value net (loss)/gain	-	3,341	3,341
Impairment gains / (losses)	(606)	-	(606)
At beginning of current year	15,117	184,628	199,745
Additions / Re-investments	-	159,310	159,310
Disposals (sales and redemptions)	(10,000)	(123,964)	(133,964)
Fair value net (loss)/gain	(117)	(1,756)	(1,873)
At end of current year	5,000	218,218	223,218

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36 MANAGEMENT OF TAKAFUL AND FINANCIAL RISK

36.1 Takaful risk

The principal risk that is faced under takaful contracts is the possibility that the covered event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the takaful liabilities. By the very nature of the takaful contract, this risk is random and therefore unpredictable. The objective of the Operator is to ensure that sufficient reserves are available to cover these liabilities.

The Operator manages these risks through its underwriting strategy, adequate retakaful arrangements and proactive claims handling. The underwriting strategy aims to minimize takaful risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Operator underwrites mainly property, motor, marine cargo and transportation and other miscellaneous business. These classes of takaful are generally regarded as short-term takaful contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate takaful risk.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Operator has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level.

Retakaful arrangements in place include treaty and facultative arrangements, on proportional and non-proportional basis and also include catastrophe cover. The effect of such retakaful arrangements is that the PTF may not suffer ultimate net takaful losses beyond the PTF's risk appetite in any one year.

The Operator's arrangement of retakaful is diversified such that it is neither dependent on a single retakaful operator nor the operations of the Operator are substantially dependent upon any single retakaful contract. The Operator obtains retakaful cover only from companies with sound financial health.

a) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Operator manages these risk through the measures described above. The Operator has limited its exposure to catastrophic and riot events by use of retakaful arrangements.

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighbouring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk. The Operator evaluates the concentration of exposures to individual and cumulative takaful risks and establishes its retakaful policy to reduce such exposures to levels acceptable to the Operator. The concentration of risk by type of contracts is summarized below by reference of liabilities.

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2023	Gross sum takaful	Sum Retakaful	Net
Rupees in thousand			
Fire and property damage	184,511,774	159,560,289	24,951,484
Marine, aviation and transport	123,608,039	95,832,675	27,775,364
Motor	17,742,741	1,449,879	16,292,863
Miscellaneous	17,556,573	10,494,083	7,062,490
	343,419,127	267,336,926	76,082,201

2022	Gross sum takaful	Sum Retakaful	Net
Rupees in thousand			
Fire and property damage	133,506,217	115,994,649	17,511,569
Marine, aviation and transport	169,903,645	77,689,993	92,213,652
Motor	15,583,974	1,044,129	14,539,845
Miscellaneous	5,055,589	3,239,243	1,816,346
	324,049,425	197,968,014	126,081,412

The Operator's class wise major gross risk exposure is as follows:

	2023	2022
Rupees in thousand		
Class of business		
Fire and property damage	3,960,000	3,496,419
Marine, aviation and transport	9,139,130	3,000,000
Motor	267,200	334,000
Miscellaneous	2,381,280	1,448,000

Since the Operator operates in Pakistan only, hence, all the takaful risks relate to policies written in Pakistan.

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b) Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the balance sheet date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under takaful contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the balance sheet date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the balance sheet date. The details of estimation of outstanding claims (including IBNR) are given under note 3.7.

c) Key assumptions

The principle 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 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.

d) Changes in assumptions

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

e) Sensitivity analysis

The Operator believes that the claim liabilities under takaful contracts outstanding at the year end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The impact on the PTF surplus of the changes in the claim liabilities net of retakaful is analysed below. The sensitivity to changes in claim liabilities net of retakaful is determined separately for each class of business while keeping all other assumptions constant.

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	Participants' Takaful Fund Revenue		Participants' Takaful Fund Equity	
	2023	2022	2023	2022
10% increase in loss	Rupees in thousand			
Fire and property damage	1,285	847	783	601
Marine aviation and transport	2,095	519	1,278	368
Motor	4,832	4,180	2,948	2,968
Health	988	955	603	678
Miscellaneous	823	943	502	670
	10,023	7,444	6,114	5,285

A 10% decrease would have had equal but opposite effect on the profit and loss account and Participants' Takaful Fund Equity.

f) Age-wise breakup of unclaimed Takaful benefits

Particulars	Total amount	Age-wise Breakup				
		1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months
		Rupees in thousand				
Claims not encashed	30,189	29,056	355	272	506	-

36.2 Financial risk

The Operator's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising of currency risk, profit rate risk and other price risk). The Operator's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Operator's financial performance.

The Board of Directors has overall responsibility for establishment and over sight of the Operator's risk management framework. There are Board Committees and Management Committees for developing and monitoring the risk management policies.

36.3 Credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The management monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. Due to the nature of financial assets, the Operator believes it is not exposed to any major concentration of credit risk.

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The carrying amounts of the following financial assets represent the Operator's maximum exposure to credit risk:

	Operator's Fund		Participants' Takaful Fund	
	2023	2022	2023	2022
	Rupees in thousand			
Bank deposits	100,852	92,076	144,158	111,363
Investments	223,256	177,479	223,218	199,746
Loans and Other Receivables	9,766	6,686	2,032	878
Takaful/Retakaful receivable	-	-	185,473	113,137
Retakaful recoveries against outstanding claims	-	-	102,745	65,667
Salvage recoveries accrued	-	-	6,179	3,900
Receivable from PTF	81,182	62,633	-	-
	415,056	338,874	663,805	494,691

The Operator does not hold any collateral against the above balances. Past due policies were not impaired as they relate to the number of policy holders and other Takaful/ retakaful operators for whom there is no recent history of default. The age analysis of gross receivables is as follows:

a)	Operator's Fund	2023			2022		
		Due from Other takaful/retakaful Operators	Loans and other receivables	Aggregate	Due from Other takaful/retakaful Operators	Loans and other receivables	Aggregate
		Rupees in thousand					
	Upto 1 year	-	9,766	9,766	-	6,686	6,686
	1-2 years	-	-	-	-	-	-
	2-3 years	-	-	-	-	-	-
		-	9,766	9,766	-	6,686	6,686

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b) Participants' takaful fund	2023				Aggregate
	Due from takaful contract holders	Due from other takaful/retakaful operators	Retakaful recoveries against outstanding claims	Loans and other receivables	
	Rupees in thousand				
Upto 1 year	122,587	42,870	77,955	2,032	245,444
1-2 years	10,620	4,659	11,879	-	27,158
2-3 years	420	4,574	7,047	-	12,041
Over 3 years	-	1,136	5,864	-	7,000
	133,627	53,239	102,745	2,032	284,643

	2022				Aggregate
	Due from takaful contract holders	Due from other takaful/retakaful operators	Retakaful recoveries against outstanding claims	Loans and other receivables	
	Rupees in thousand				
Upto 1 year	82,515	17,222	47,715	878	148,330
1-2 years	8,277	5,099	10,112	-	23,487
2-3 years	110	1,307	6,492	-	7,909
Over 3 years	-	-	1,348	-	1,348
	90,902	23,628	65,667	878	179,726

The credit quality of Operator's bank balances and deposits can be assessed with reference to external credit ratings as follows:

Financial institution	Rating		Rating agency	Operator's Fund		Participants' Takaful Fund	
	Short term	Long term		2023	2022	2023	2022
	Rupees in thousand						
Askari Islamic Bank	A1+	AA+	PACRA	43,810	60,640	19,877	22,079
Meezan Bank	A-1+	AAA	JCR-VIS	291	1,602	95,440	86,781
The Bank of Khyber	A1	A	PACRA	25,049	-	27,231	1,262
Al Barka Bank Ltd	A-1	A+	JCR-VIS	31,678	29,826	5	4
Faysal Bank Ltd	A1+	AA	PACRA	-	-	994	916
Bank Al-Habib Ltd	A1+	AAA	PACRA	25	8	-	-
				100,852	92,076	143,547	111,042

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The management monitors exposure to credit risk in contribution receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables.

The credit quality of amount due from other takaful & retakaful operators and retakaful recoveries against outstanding claims can be assessed with reference to external credit ratings as follows:

a)	Operator's Fund	2023		2022	
		Takaful / Retakaful Receivable	Takaful / Retakaful Receivable	Takaful / Retakaful Receivable	Takaful / Retakaful Receivable
Rupees in thousand					
	A or above	-	-	-	-

b)	Participants' takaful fund	2023		2022	
		Other Takaful / Retakaful Receivable	Retakaful recoveries against Outstanding claims	Other Takaful / Retakaful Receivable	Retakaful recoveries against Outstanding claims
Rupees in thousand					
	A or above	53,239	102,745	23,628	65,667
		53,239	102,745	23,628	65,667

36.4 Liquidity risk

Liquidity risk is the risk that the Operator will encounter difficulty in meeting its obligations associated with financial liabilities. In respect of major loss event, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected retakaful recoveries.

The objective of the Operator's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Operator's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

The table below provides the maturity analysis of the Operator's liabilities as at balance sheet date. The contractual maturities of these liabilities at the year end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which these liabilities will be settled.

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	2023			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
Rupees in thousand				
Financial Liabilities - OPF				
Other creditors and accruals	33,464	33,464	33,464	-
Takaful/retakaful payable	9,551	9,551	9,551	-
	43,015	43,015	43,015	-
Financial Liabilities - PTF				
Provision for Outstanding Claims (including IBNR)	202,972	202,972	202,972	-
Takaful/retakaful payable	146,462	146,462	146,462	-
Wakala fees payable	76,767	76,767	76,767	-
Other creditors and accruals	4,822	4,822	4,822	-
	431,023	431,023	431,023	-
	2022			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
Rupees in thousand				
Financial Liabilities - OPF				
Other creditors and accruals	28,991	28,991	28,991	-
Takaful/retakaful payable	6,336	6,336	6,336	-
	35,327	35,327	35,327	-
Financial Liabilities - PTF				
Provision for Outstanding Claims (including IBNR)	140,103	140,103	140,103	-
Takaful/retakaful payable	123,605	123,605	123,605	-
Wakala fees payable	57,045	57,045	57,045	-
Other creditors and accruals	1,958	1,958	1,958	-
	322,711	322,711	322,711	-

36.5 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as profit rates, foreign exchange rates and equity prices.

The Operator limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in Government securities, equity and term finance certificates' markets. In addition, the Operator actively monitors the key factors that affect the underlying value of these securities.

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market profit rates. The Operator has securities and deposits that are subject to profit rate risk. The Operator limits profit rate risk by monitoring changes in profit rates in the currencies in which its financial assets are denominated.

The Operator's financial liabilities are not exposed to profit rate risk. The information about Operator's exposure to profit rate risk based on contractual reprising or maturity dates whichever is earlier is as follows:

2023							
Effective rate % per annum	Profit bearing financial instruments			Non-profit bearing financial instruments			Total
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
Rupees in thousand							
Financial assets							
Operator's Fund							
Investments in equity securities	-	-	-	218,256	-	218,256	218,256
Investments in Sukuks	17.40% to 25.05%	5,000	5,000	-	-	-	5,000
Loans and other receivables	-	-	-	9,766	-	9,766	9,766
Takaful / re-takaful receivables	-	-	-	-	-	-	-
Receivable from PTF	-	-	-	81,182	-	81,182	81,182
Cash and bank	6.01% to 11.25%	100,852	100,852	-	-	-	100,852
		100,852	5,000	105,852	309,204	-	309,204
							415,056
Participants' Takaful Fund							
Investments in equity securities	-	-	-	218,218	-	218,218	218,218
Investments in Sukuks	17.40% to 25.05%	5,000	5,000	-	-	-	5,000
Loans and other receivables	-	-	-	2,032	-	2,032	2,032
Takaful / re-takaful receivables	-	-	-	185,473	-	185,473	185,473
Re-takaful recoveries against outstanding claims	-	-	-	102,745	-	102,745	102,745
Salvage recoveries accrued	-	-	-	6,179	-	6,179	6,179
Cash and bank	5.5% to 12.16%	143,547	143,547	611	-	611	144,158
		143,547	5,000	148,547	515,258	-	515,258
							663,805
Financial liabilities							
Operator's Fund							
Takaful / re-takaful payables	-	-	-	(9,551)	-	(9,551)	(9,551)
Other creditors and accruals	-	-	-	(33,464)	-	(33,464)	(33,464)
				(43,015)	-	(43,015)	(43,015)
Participants' Takaful Fund							
Outstanding claims including IBNR	-	-	-	(202,972)	-	(202,972)	(202,972)
Payable to OPF	-	-	-	(81,182)	-	(81,182)	(81,182)
Takaful / re-takaful payables	-	-	-	(146,462)	-	(146,462)	(146,462)
Other creditors and accruals	-	-	-	(4,822)	-	(4,822)	(4,822)
				(435,438)	-	(435,438)	(435,438)

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2022							
Effective rate % per annum	Profit bearing financial instruments			Non-profit bearing financial instruments			Total
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
Rupees in thousand							
Financial assets							
Operator's Fund							
Investments in equity securities	-	-	-	157,303	-	157,303	157,303
Investments in Sukuks	10.22% to 17.81%	20,176	20,176	-	-	-	20,176
Loans and other receivables	-	-	-	6,686	-	6,686	6,686
Takaful / re-takaful receivables	-	-	-	-	-	-	-
Receivable from PTF	-	-	-	62,633	-	62,633	62,633
Cash and bank	3.99% to 7.75%	92,076	92,076	-	-	-	92,076
		92,076	20,176	112,252	226,622	-	226,622
							338,874
Participants' Takaful Fund							
Investments in equity securities	-	-	-	184,629	-	184,629	184,629
Investments in Sukuks	10.22% to 17.81%	15,117	15,117	-	-	-	15,117
Loans and other receivables	-	-	-	878	-	878	878
Takaful / re-takaful receivables	-	-	-	113,137	-	113,137	113,137
Re-takaful recoveries against outstanding claims	-	-	-	65,667	-	65,667	65,667
Salvage recoveries accrued	-	-	-	3,900	-	3,900	3,900
Cash and bank	3.7% to 8.42%	111,043	111,043	320	-	320	111,363
		111,043	15,117	126,160	368,531	-	368,531
							494,691
Financial liabilities							
Operator's Fund							
Takaful / re-takaful payables	-	-	-	(6,336)	-	(6,336)	(6,336)
Other creditors and accruals	-	-	-	(28,991)	-	(28,991)	(28,991)
		-	-	(35,327)	-	(35,327)	(35,327)
Participants' Takaful Fund							
Outstanding claims including IBNR	-	-	-	(140,103)	-	(140,103)	(140,103)
Payable to OPF	-	-	-	(62,633)	-	(62,633)	(62,633)
Takaful / re-takaful payables	-	-	-	(123,605)	-	(123,605)	(123,605)
Other creditors and accruals	-	-	-	(1,958)	-	(1,958)	(1,958)
		-	-	(328,299)	-	(328,299)	(328,299)

ASKARI GENERAL INSURANCE COMPANY LIMITED - WINDOW TAKAFUL OPERATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Cash flow sensitivity analysis for variable rate instruments

The Operator is exposed to cash flow profit rate risk in respect of its cash and bank balances and Sukuk bonds. In case of 100 basis points (bp) increase / decrease in profit rates at period end, assuming that all other variables remain constant, the net income and accumulated profit would have been higher / lower approximately by Rs 1.00 million (2022: Rs 1.07 million) in Operators' fund. Similarly, in case of Participants' Takaful Fund the net income and balance of Waqf / PTF would have been higher / lower approximately by Rs 1.43 million (2022: Rs. 1.21 million).

36.7 Price risk

Price risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The following table summarises the Company's price risk as at December 31, 2023 and 2022. It shows the effects of an estimated increase of 10% in the market prices as on those dates. A decrease of 10% in the fair values of equity securities would affect it in a similar and opposite manner.

	Fair value	Price change	Effect on fair value
	Rupees in thousand		Rupees in thousand
Operator's Fund			
December 31, 2023	218,256	+10%	21,826
	218,256	-10%	(21,826)
December 31, 2022	157,303	+10%	15,730
	157,303	-10%	(15,730)
Participants' Takaful Fund			
December 31, 2023	218,218	+10%	21,822
	218,218	-10%	(21,822)
December 31, 2022	184,629	+10%	18,463
	184,629	-10%	(18,463)

36.8 Fair value

The fair value of all major financial assets is estimated to be not significantly different from their carrying values.

37 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions.

38 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on its meeting held on 14 March 2024.

Suleman Khalid
Chief Financial Officer

Abdul Waheed
President & Chief Executive

Malik Riffat Mahmood
Director

Maj Gen Kamran Ali (Retd)
Director

Lt Gen Nauman Mahmood (Retd)
Chairman

PATTERN OF SHAREHOLDING

AS AT 31 DECEMBER 2023

No. of Shareholders	From	To	Shares Held	Percentage
316	1	100	11823	0.0164
644	101	500	237988	0.3310
184	501	1000	141628	0.1970
384	1001	5000	961283	1.3369
99	5001	10000	738995	1.0278
45	10001	15000	548305	0.7626
19	15001	20000	322564	0.4486
8	20001	25000	184672	0.2568
11	25001	30000	303509	0.4221
6	30001	35000	203076	0.2824
6	35001	40000	222023	0.3088
10	40001	45000	424233	0.5900
7	45001	50000	340555	0.4736
5	50001	55000	257019	0.3575
3	55001	60000	172868	0.2404
2	60001	65000	127723	0.1776
1	65001	70000	69649	0.0969
3	70001	75000	218000	0.3032
1	75001	80000	79350	0.1104
2	80001	85000	166167	0.2311
3	85001	90000	262382	0.3649
1	90001	95000	93333	0.1298
3	95001	100000	295990	0.4117
2	100001	105000	202970	0.2823
1	110001	115000	115000	0.1599
2	115001	120000	235030	0.3269
1	120001	125000	121256	0.1686
2	125001	130000	258500	0.3595
1	145001	150000	150000	0.2086
2	150001	155000	302266	0.4204
1	160001	165000	161500	0.2246
2	175001	180000	352291	0.4900
3	180001	185000	546099	0.7595

PATTERN OF SHAREHOLDING

AS AT 31 DECEMBER 2023

No. of Shareholders	From	To	Shares Held	Percentage
1	185001	190000	188025	0.2615
2	195001	200000	397225	0.5525
1	200001	205000	201613	0.2804
1	205001	210000	205938	0.2864
1	220001	225000	225000	0.3129
2	225001	230000	455077	0.6329
1	230001	235000	231000	0.3213
1	275001	280000	279000	0.3880
1	285001	290000	285500	0.3971
1	310001	315000	315000	0.4381
1	395001	400000	399446	0.5555
1	505001	510000	506810	0.7049
1	530001	535000	532305	0.7403
1	595001	600000	599390	0.8336
1	660001	665000	661250	0.9197
1	775001	780000	777533	1.0814
1	855001	860000	858962	1.1946
1	895001	900000	900000	1.2517
1	1510001	1515000	1512508	2.1036
1	1980001	1985000	1980976	2.7551
1	3315001	3320000	3318267	4.6150
1	5700001	5705000	5701303	7.9293
1	42540001	42545000	42541720	59.1663
1805		Company Total	71901895	100.0000

PATTERN OF SHAREHOLDING

AS AT 31 DECEMBER 2023

Particulars	No. of Shareholders	Shares Held	Percentage
Individuals	1783	22,505,449	31.30%
Financial Institutions	1	4,562	0.01%
Mutual Funds	1	777,533	1.08%
Charitable Trust	4	42,600,734	59.25%
Others	16	6,013,617	8.36%
Total	1,805	71,901,895	100%
Associated companies, undertakings & related parties			
Army Welfare Trust	4	42,600,734	59.25%
Directors, CEO, their spouse & minor children			
Lt Gen Naveed Mukhtar (Retd)	1	3,521	0.00%
Rizwan Ullah Khan (Retd)	1	923	0.00%
AVM Mohammad Athar Shams (Retd)	1	3,521	0.00%
Brig Mukhtar Ahmed (Retd)	1	3,521	0.00%
Malik Riffat Mahmood	1	923	0.00%
Mohammad Munir Malik	1	725	0.00%
Saima Akbar Khattak	1	500	0.00%
Imran Iqbal	1	532,305	0.74%
		545,939	
Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies, Modarabas & pension funds (other than specified above)			
Escorts Investment Bank Limited	1	4,562	0.01%
Mutual Funds			
CDC - Trustee AKD Opportunity Fund	1	777,533	1.08%
Shareholders holding five percent or more voting rights in the Company			
Muhammad Iqbal	1	5,701,303	7.93%
Individuals - local			
	1719	14,006,853	19.48%
- foreign	55	2,251,354	3.13%
Others			
	16	6,013,617	8.36%
Total	1,805	71,901,895	100.00%

NOTICE OF 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting (AGM) of the shareholders of Askari General Insurance Limited (the Company) will be held at Blue Lagoon, Rawalpindi on Thursday, April 25, 2024, at 10:30 a.m. to transact the following business:

Ordinary Business:

1. To confirm minutes of the 28th Annual General Meeting held on April 28th, 2023.
2. To receive, consider, approve and adopt the annual Audited Financial Statements (Consolidated and Unconsolidated) of the Company for the year ended December 31st, 2023, together with Chairman review, Directors' and Auditors' Reports thereon.

As required under section 223(7) of the Companies Act, 2017, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link:

<https://www.agico.com.pk/reports.php>



3. To consider and approve payment of final cash dividend of 32.5% (Rs. 3.25 per share) for the year ended December 31st, 2023, as recommended by the Directors of the Company.
4. To appoint auditors for the year 2024 and to fix their remuneration. The Audit Committee and the Board of Directors have recommended reappointing Yousuf Adil & Co. Chartered Accountants as statutory auditors of the company.

Special Business:

5. To consider, and if deemed fit, pass the following Ordinary Resolution for the transmission of the Annual Audited Accounts through QR enabled code and weblink:

Resolved that "the circulation of Annual Balance Sheet, Profit & Loss Account, Auditors' Report and Directors' Report etc. ("Annual Audited Accounts") of AGICO to its members through QR enabled code and weblink instead of CD/DVD/USB thereof at their registered addresses, as per the Notification No. SRO 389 (I)/2023 dated March 21, 2023, issued by the Securities and Exchange Commission of Pakistan be and is hereby approved."

Further Resolved that "the annual audited financial statements be also circulated to members through email, in case email has been provided by the members of the company, without receiving consents from the members."

6. To consider, and if deemed fit, pass the following Special Resolution for increase in directors' fees for attendance at committees and board meetings:

Resolved that "every director, other than President & Chief Executive or Executive Director, shall be entitled to be paid a fee of Rs. 50,000 for attending each meeting of the Board of Directors and Rs. 35,000 for attending each meeting of all other committee's setup by the Board of Directors."

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

By order of the Board

Rawalpindi

April 04, 2024,

Waqas Ali

Company Secretary

IMPORTANT NOTES:

1. Participation by Shareholders

Arrangements have been made by Company to facilitate the participation of the shareholders in AGM through online video conference, in-person participation or through appointed proxies. To avail this facility, the shareholders are requested to please provide below particulars to our Company Secretary Office of the Company at cs@agico.com.pk before close of business hours on April 17, 2024.

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

The shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM on email: cs@agico.com.pk.

NOTICE OF 29TH ANNUAL GENERAL MEETING

2. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from April 18, 2024, to April 25, 2024 (both days inclusive). Transfers received at our Share Registrars, Messrs. THK Associate (Pvt.) Limited, 32-C Jami Commercial Street -2, DHA Phase 7, Karachi, at the close of business on April 17, 2024 will be treated in time for the purposes of entitlement of members to the final cash dividend and for attending and voting at the AGM.

3. Change of Address

Members of the Company are requested to immediately notify the change in address if any, and ask for consolidation of folio number, provided the member holds more than one folio, to the Share Registrar.

4. E-Voting/Voting by Postal Ballot

The Company shall provide its members with options of e-voting or voting by postal ballot for any business transacted as special business in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018. Shareholders will be allowed to exercise their right to vote through postal ballot i.e. by post or e-voting, in the manner and subject to the conditions contained in the aforesaid regulations.

Procedure for E – Voting

- a) Detail of the e-voting facility will be share through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail address available in the register of members of the company by the Close of Business of 17 April 2024.
- b) The web address, login details, will be communicated to members via email. The security code will be communicated to members through SMS from web portal of THK Associates (Private) Limited (being the e-voting service providers).
- c) Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d) E-voting lines will start from 22 April 2024, 09:00 a.m. and shall close on 24 April 2024 at 5:00 p.m. Members can cast their votes any time during this period Once the vote on a resolution is cast by a Members, he / she shall not be allowed to change it subsequently.

Procedure for voting Through Postal Ballot

- a) For members who wish to opt for voting through Post, Ballot Paper is being published and the same is also available on the Company's website: <https://www.agico.com.pk/notices.php>.
- b) The members shall ensure that duly filled and signed ballot paper, along with copy of CNIC/NICOP or Passport (in case of foreign national), should reach the Chairman of the meeting through post on the company's register 3rd Floor, AWT Plaza, The Mall, Rawalpindi or email at cs@agico.com.pk one day before the Annual General Meeting, during working hours.

5. Deduction of Withholding Tax on the Amount of Dividend

Under Section 150 of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted as follows:

For filers of Income Tax returns 15%

For non-filers of Income Tax returns 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the shareholders, including joint shareholders, whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they, or their joint holders, are filers, are advised to make sure that their names are entered into ATL by the close of business on April 17th, 2024.

6. Exemption from Tax and Deduction of Zakat:

Shareholders, who intend to claim exemption from tax and/or zakat (where applicable), are advised to ensure that they have provided valid tax exemption certificates and zakat declaration to their respective broker/company's shares registrar before April 17th, 2024.

7. Taxation for Joint Shareholders

In order to ensure that holders of shares held in joint names or joint accounts are treated individually as filers or non-filers, all such shareholders are requested to provide shareholding proportions of principal shareholder and joint holder(s) in respect of shares held by them to our Share Registrar, on the address mentioned at end of notice, in writing before close of business on April 17th, 2024 as per format given below.

NOTICE OF 29TH ANNUAL GENERAL MEETING

Name of Principal Shareholder/Joint Holders	Shareholding proportions (%)	CNIC No. (copy to be attached)	Folio / CDS Account No.	Total Shares	Signature

NOTE: In the event of non-receipt of the information by April 17th, 2024, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

8. ELECTRONIC DIVIDEND MANDATE

Under section 242 of Companies Act, 2017, it is mandatory for all listed Companies to pay cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders. In order to receive dividend directly into their respective bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend produced below and also on the Company's website and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, THK Associates (Pvt.) Ltd., 32-C Jami Commercial Street-2, DHA Phase 7, Karachi, Pakistan, in case of physical shares.

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

In case of non-receipt of information, the Company will be obliged to withhold payment of dividend to such shareholders till provision of prescribed details.

Name of Company	
Folio No	
Name of Shareholder	
CNIC	
Contact No	
Email Address	
International Bank Account Number (IBAN -24 digit) Mandatory	PK
Bank's Name	
Branch Name/Address	
New Mailing Address	

Please also note that in compliance with section 244 of the Companies Act, 2017, after completion of required procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited with the Federal Government.

9. Circulation of annual reports and notices of meetings:

In compliance with the Section 223(6) of Companies Act 2017, the Company has electronically transmitted the Annual Report 2023 through email to shareholders whose email addresses are available with the Company's Share Registrar, THK Associates (Private) Limited. In those cases, where email addresses are not available with the Company Share Registrar, THK Associates (Private) Limited, printed notice of AGM along with the weblink to download the said financial statements have been dispatched. The Company would provide hard copies of the Annual Report to the Shareholders on their demand at their registered addresses, free of cost, within one week of such request. Those members who desire to receive printed copy of Annual Report 2023 may send an email request to company secretary at cs@agico.com.pk.

10. Conversion of Physical Shares into Book-Entry Form:

The Shareholders having physical shares may open CDC sub-account with any of the brokers or Investor Account directly with the Central Depository Company (CDC) of Pakistan Limited to have their physical shares converted into electronic form. This will facilitate them in many ways including safe custody and timely sale of shares. Additionally, Section 72 of the Companies Act, 2017 (Act) requires that after the commencement of the Act from a date notified by the Securities and Exchange Commission of Pakistan (SECP), a company having share capital, shall have shares in electronic form only. Every existing company shall be required to replace its physical shares with a book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act.

NOTICE OF 29TH ANNUAL GENERAL MEETING

11. Unclaimed Dividend

As per provision of Section 244 of the Act, any shares issued, or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the shareholders to file their claim.

Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar, THK Associates (Private) Limited, 32-C, Jami Commercial Street-2, DHA Phase 7, Karachi, to collect / enquire about their unclaimed dividend. In case, no claim is lodged with the company in the given time, the Company, after lapse of time period given in the notice in the newspaper, shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Act.

An updated list for unclaimed dividend/shares of the Company is available on the Company's website www.agico.com.pk

12. Availability of Audited Financial Statement on Company's Website:

The audited financial statements of the Company for the year ended December 31st, 2023, have been made available on the Company's website www.agico.com.pk

13. Statement Under Section 134(3) of the Companies Act, 2017 in respect of Special Business:

Item No. 5 of the Notice – Circulation of Company's Annual Audited Financial Statements through QR enabled Code and Weblink as part of Notice of Annual General Meeting

The Securities and Exchange Commission of Pakistan ("SECP") through its Notification No. S.R.O 389(I)/2023 dated March 21, 2023, has allowed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink. A shareholder may request the Company Secretary or Share Registrar of the Company to provide a hard copy of the Annual Audited Accounts and the same will be provided at shareholder's registered addresses, free of cost, within one week of the demand. In this regard, the email address of the Company Secretary / Share Registrar will be placed on the website of the Company. A shareholder may also prefer to receive hard copies for all future Annual Audited Accounts. In view of the above, it is proposed that the Ordinary Resolution at Agenda 5 of the Notice of AGM be passed.

Item No. 6 of the Notice – Increase in Directors' Fee

The Board, on the recommendations of Ethics, Human Resource and Remuneration Committee (HER&RC), in their 114th meeting held on March 14, 2024, has proposed to increase the director's fee to Rs. 50,000 for attending each meeting of the Board and Rs. 35,000 for attending any other committee meeting by altering clause 64 of the Article of Association (AOA). The decision to increase the remuneration/fee has been made to compensate for the time and efforts required to discharge director's obligations and to value their skills and expertise in managing the affairs of the Board and Board's committees. In the view of above, it is proposed that Special Resolution at Agenda 6 of the Notice of AGM be passed.

None of the Directors of the Company have any personal interest in the afore said Special Business except in their capacity as Shareholders or Directors of the Company.

SPECIAL NOTES

A. For Attending the meeting:

- i. In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original Passport at the time of attending the meeting.
- ii. The shareholders registered with the CDC are also requested to bring their particulars, I.D numbers and account numbers to the CDS.
- iii. In the case of corporate entity, the Board of Directors' resolution/power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B. For appointment of proxies:

- i. A Member entitled to attend and vote at the Annual General Meeting may appoint another person as his proxy to attend and vote for him/her. No person shall act as proxy, who is not a member of the Company except that Government of Pakistan/Corporate entity may appoint a person who is not a member of the Company. If the member is corporate entity (other than Government of Pakistan) its common seal should be affixed on the instrument.

NOTICE OF 29TH ANNUAL GENERAL MEETING

- ii. A member shall not be entitled to appoint more than one proxy to attend anyone meeting. If any member appoints more than one proxy for anyone meeting and more than one instrument of the proxy are deposited with the company, all such instruments of proxy shall be rendered invalid. The instrument appointing a proxy duly completed, together with Power of Attorney or Board Resolution, if any, under which it is signed or a notarial certified copy thereof, should be deposited with the Company Secretary, Askari General Insurance Company Limited, 3rd Floor, AWT Plaza, The Mall, Rawalpindi, not later than 48 hours before the time of holding the meeting.
- iii. For attending the meeting and appointing proxies, CDC Account Holders will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000, issued by Securities and Exchange Commission of Pakistan (SECP). The rights of the members and their proxies exercisable during meetings and all other relevant information are listed in section 137 of the Companies Act 2017, which can be easily accessed on the Securities and Exchange Commission of Pakistan (SECP) website.
- iv. In the case of individuals, the account holder or sub-account holder and/or the persons whose registration details are uploaded as per the Regulations shall submit the proxy form as per requirement notified by the Company.
- v. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- vi. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- vii. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- viii. In case of corporate entity being a Member, the Board of Directors' resolution / power of attorney with specimen signature of the nominee / attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.

Contact Information:

For any query/problem/information, the shareholders may contact the Company Secretary and/or the Share Registrar at the following:

Company Representative

Company Secretary
051- 8848206
cs@agico.com.pk

Shares Registrar

THK Associates (Private) Limited
32-C, Jami Commercial Street-2,
DHA Phase 7, Karachi



Askari General Insurance Company Limited

Ballot paper for voting through post for the Special Business at the Annual General Meeting to be held on Thursday, April 25, 2024, at 10:30 a.m. at the Blue Lagoon, Rawalpindi

Website: <https://www.agico.com.pk>

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Instructions For Poll

- Please indicate your vote by ticking (✓) the relevant box.
 - In case if both the boxes are marked as (✓), you poll shall be treated as **"Rejected"**.
- I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

Resolution	No. of ordinary shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<p>Agenda Item No. 5:</p> <p>Resolved that "the circulation of Annual Balance Sheet, Profit & Loss Account, Auditors' Report and Directors' Report etc. ("Annual Audited Accounts") of AGICO to its members through QR enabled code and weblink instead of CD/DVD/USB thereof at their registered addresses, as per the Notification No. SRO 389 (I)/2023 dated March 21, 2023, issued by the Securities and Exchange Commission of Pakistan be and is hereby approved."</p> <p>Further Resolved that "the annual audited financial statements be also circulated to members through email, in case email has been provided by the members of the company, without receiving consents from the members."</p>			
<p>Agenda Item No. 6:</p> <p>Resolved that "every director, other than President & Chief Executive or Executive Director, shall be entitled to be paid a fee of Rs. 50,000 for attending each meeting of the Board of directors and Rs. 35,000 for attending each meeting of all other committee's setup by the Board of Directors."</p>			

NOTES:

- Dully filled ballot paper should be sent to the Chairman of **Askari General Insurance Company Limited** registered office at 3rd Floor, AWT Plaza, The Mall, Rawalpindi attention to the Company Secretary or email at cs@agico.com.pk
- Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before 24-04-2024. Any postal ballot received after this date will not be considered for voting.
- Signature on ballot paper should match with signature on CNIC/ Passport (in case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten poll paper will be rejected.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
- Ballot Paper form has also been placed on the website of the company at: <https://www.agico.com.pk/notices.php>
Members may download the ballot paper from the website or use an original/photocopy published in newspapers

_____	Place	_____
Shareholder / Proxy holder Signature/Authorized Signatory	Date	_____
(In case of corporate entity, please affix company stamp)		

اٹیسویں (29) سالانہ جنرل میٹنگ کی اطلاع

- ii. سی ڈی سی پر رجسٹرڈ شیئرز ہولڈرز سے بھی درخواست کی جاتی ہے کہ وہ سی ڈی ایس میں اپنی تفصیلات، آئی ڈی نمبر اور اکاؤنٹ نمبر لائیں۔
- iii. کارپوریٹ ادارے کی صورت میں، میٹنگ کے وقت بورڈ آف ڈائریکٹرز کی ریزولوشن/پاور آف اتارنی جس میں نامزد شخص کے دستخط کے نمونے دستیاب کئے جائیں گے (جب تک یہ پہلے فراہم نہ کیا گیا ہو)۔

B. پراسیز کی تقرری کے لیے:

- i. سالانہ عام اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار رکن کسی دوسرے شخص کو شرکت کرنے اور اسے ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے۔ کوئی بھی شخص پراکسی کے طور پر کام نہیں کرے گا، جو کمپنی کارکن نہیں ہے سوائے اس کے کہ حکومت پاکستان/کارپوریٹ ادارہ کسی ایسے شخص کو مقرر کر سکتا ہے جو کمپنی کارکن نہیں ہے۔ اگر ممبر کارپوریٹ ادارہ ہے (حکومت پاکستان کے علاوہ) اس کی عام مہر انسٹرومنٹ پر چسپاں ہونی چاہیے۔
- ii. ایک رکن کسی بھی میٹنگ میں شرکت کے لیے ایک سے زیادہ پراکسی مقرر کرنے کا حقدار نہیں ہوگا۔ اگر کوئی ممبر کسی بھی میٹنگ کے لیے ایک سے زیادہ پراکسی کا تقرر کرتا ہے اور پراکسی کے ایک سے زیادہ انسٹرومنٹس کمپنی کے پاس جمع کرائے جاتے ہیں تو ایسے تمام پراکسی انسٹرومنٹس کو غلط قرار دیا جائے گا۔ پاور آف اتارنی یا بورڈ ریزولوشن کے ساتھ، اگر کوئی ہو، جس کے تحت اس پر دستخط کیے گئے ہوں یا اس کی ایک نوٹری سے تصدیق شدہ کاپی کے ساتھ، مناسب طریقے سے مکمل شدہ پراکسی کا تقرر کرنے والا انسٹرومنٹ، کمپنی سیکرٹری، عسکری جنرل انشورنس کمپنی لمیٹڈ، تیسری منزل، اے ڈبلیو بی پلازہ، دی مال، راولپنڈی میٹنگ کے وقت سے 48 گھنٹے پہلے جمع کرایا جائے۔
- iii. میٹنگ میں شرکت اور پراکسی کی تقرری کے لیے، سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے جاری کردہ 26 جنوری 2000 کے سرکلر نمبر 1 میں بیان کردہ رہنما خطوط پر مزید عمل کرنا ہوگا۔ میٹنگ کے دوران ممبران اور ان کے پراسیز کے استعمال ہونے والے حقوق اور دیگر تمام متعلقہ معلومات کمپنیز ایکٹ 2017 کے S.137 میں درج ہیں، جنہیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی ویب سائٹ پر آسانی سے حاصل کیا جاسکتا ہے۔
- iv. افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور یا وہ افراد جن کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، کمپنی کی طرف سے مطلع کردہ ضرورت کے مطابق پراکسی فارم جمع کرائیں گے۔
- v. پراکسی فارم پر دو افراد گواہی دیں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج ہوں گے۔
- vi. شناختی کارڈ کی تصدیق شدہ کاپیاں یا فائدہ اٹھانے والے مالکان کے پاسپورٹ اور پراکسی کو پراکسی فارم کے ساتھ پیش کیا جائے گا۔
- vii. پراکسی میٹنگ کے وقت اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔
- viii. کارپوریٹ ادارے کے ممبر ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی ریزولوشن/پاور آف اتارنی جس میں نامزد شخص/اتارنی کے نمونے کے دستخط ہوں گے (جب تک کہ اسے پہلے فراہم نہ کیا گیا ہو) کمپنی کو پراکسی فارم کے ساتھ جمع کرانا ہوگا۔

رابطے کی معلومات:

کسی بھی سوال/مسئلہ/معلومات کے لیے، شیئرز ہولڈرز کمپنی سیکرٹری اور/یا شیئرز رجسٹرار سے درج ذیل پر رابطہ کر سکتے ہیں:

کمپنی کا نمائندہ
کمپنی سیکرٹری

051-9028101, 051-8848206

cs@agico.com.pk

شیئرز رجسٹرار

THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

C-32، جہاں کمرشل اسٹریٹ-2،

ڈی ایچ اے فیز 7، کراچی

انتیسویں (29) سالانہ جنرل میٹنگ کی اطلاع

شیر ہولڈرز کو ان کے مطالبے پر سالانہ رپورٹ کی ہارڈ کاپیاں ان کے رجسٹرڈ پتے پر مفت فراہم کرے گی، ایسی درخواست کے ایک ہفتے کے اندر۔ جو ممبران سالانہ رپورٹ 2023 کی پرنٹ شدہ کاپی حاصل کرنا چاہتے ہیں وہ کمپنی سیکرٹری کو cs@agico.com.pk پر ای میل درخواست بھیج سکتے ہیں۔

10. فزیکل شیرز کو بک انٹری فارم میں تبدیل کرنا:

فزیکل شیرز رکھنے والے شیر ہولڈرز کسی بھی بروکر کے ساتھ سی ڈی سی ذیلی اکاؤنٹ کھول سکتے ہیں یا پاکستان لمیٹڈ کی سینٹرل ڈیپازٹری کمپنی (سی ڈی سی) کے ساتھ براہ راست انویسٹر اکاؤنٹ کھول سکتے ہیں تاکہ ان کے فزیکل شیرز کو الیکٹرانک شکل میں تبدیل کیا جاسکے۔ یہ انہیں کئی طریقوں سے سہولت فراہم کرے گا بشمول محفوظ تحویل اور حصص کی بروقت فروخت۔ مزید برآں، کمپنیز ایکٹ، 2017 (ایکٹ) کا سیکشن 72 یہ تقاضا کرتا ہے کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے مطلع شدہ تاریخ سے ایکٹ کے نفاذ کے بعد، ایکٹ کمپنی جس کے پاس حصص کیپٹل ہے، صرف الیکٹرانک شکل میں حصص رکھے گی۔ ہر موجودہ کمپنی پر لازم ہو گا کہ وہ اپنے فزیکل شیرز کو بک انٹری فارم کے ساتھ اس طریقے سے تبدیل کرے جیسا کہ بیان کیا گیا ہو اور ایس ای سی پی کی طرف سے مطلع کردہ تاریخ سے، ایکٹ کے نفاذ سے چار سال سے زیادہ نہ ہو۔

11. غیر دعویٰ شدہ ڈیویڈنڈ

ایکٹ کے سیکشن 244 کے دفعات کے مطابق، کمپنی کی طرف سے جاری کردہ کسی بھی حصص، یا ڈیویڈنڈ کا اعلان کیا گیا ہے جو اس تاریخ سے تین سال کی مدت کے لیے بغیر دعویٰ کے / غیر ادا شدہ رہا ہے جس دن یہ واجب الادا اور قابل ادائیگی ہے، کو شیر ہولڈرز کو اپنا دعویٰ دائر کرنے کے نوٹسز جاری کرنے کے بعد وفاقی حکومت کے کریڈٹ کے لیے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے پاس جمع کرنا ضروری ہے۔

شیر ہولڈرز، جو کسی بھی وجہ سے اپنے ڈیویڈنڈ کا دعویٰ نہیں کر سکے، اگر کوئی ہے، انہیں مشورہ دیا جاتا ہے کہ وہ اپنے غیر دعویٰ شدہ ڈیویڈنڈ حاصل / پوچھ گچھ کرنے کے لئے ہمارے شیر رجسٹرار، ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 32-سی، جامی کمرشل اسٹریٹ-2، ڈی ایچ اے فیز 7، کراچی سے رابطہ کریں۔ اگر دیے گئے وقت میں کمپنی کے پاس کوئی دعویٰ درج نہیں کیا جاتا ہے، تو کمپنی، اخبار میں نوٹس میں دی گئی مدت ختم ہونے کے بعد، غیر دعویٰ شدہ / غیر ادا شدہ رقم اور حصص وفاقی حکومت کے پاس جمع کرانے کے لیے ایکٹ کی دفعہ 244 (2) کی دفعات کے لئے آگے بڑھے گی۔

کمپنی کے غیر دعویٰ شدہ ڈیویڈنڈ / حصص کی ایک تازہ ترین فہرست کمپنی کی ویب سائٹ www.agico.com.pk پر دستیاب ہے۔

12. کمپنی کی ویب سائٹ پر آڈٹ شدہ مالیاتی گوشوارے کی دستیابی:

31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو کمپنی کی ویب سائٹ www.agico.com.pk پر دستیاب کر دیا گیا ہے۔

13. خصوصی کاروبار کے سلسلے میں کمپنیز ایکٹ، 2017 کی دفعہ 134 (3) کے تحت بیان:

نوٹس کا آئٹم نمبر 5- سالانہ جنرل میٹنگ کے نوٹس کے حصے کے طور پر کیو آر فعال کوڈ اور ویب لنک کے ذریعے کمپنی کے سالانہ آڈٹ شدہ مالیاتی بیانات کا سرکولیشن مورخہ 21 مارچ 2023 نے کمپنیوں کو سالانہ بیلنس شیٹ S.R.O 389 (I)/2023 سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("ایس ای سی پی") اپنے نوٹیفیکیشن نمبر اور منافع اور نقصان اکاؤنٹ، آڈیٹر کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ کو گردش کرنے کی اجازت دی ہے۔ ("سالانہ آڈٹ شدہ مالیاتی بیانات") اپنے اراکین کو کیو آر فعال کوڈ اور ویب لنک کے ذریعے۔ شیر ہولڈر کمپنی کے سکرٹری یا کمپنی کے شیر رجسٹرار سے سالانہ آڈٹ شدہ کھاتوں کی ہارڈ کاپی فراہم کرنے کی درخواست کر سکتا ہے اور یہ مطالبہ کے ایک ہفتے کے اندر شیر ہولڈر کے رجسٹرڈ پتے پر مفت فراہم کی جائے گی۔ اس سلسلے میں کمپنی سیکرٹری / شیر رجسٹرار کا ای میل پتہ کمپنی کی ویب سائٹ پر رکھا جائے گا۔ شیر ہولڈر مستقبل کے تمام سالانہ آڈٹ شدہ کھاتوں کے لیے ہارڈ کاپیاں وصول کرنے کو بھی ترجیح دے سکتا ہے۔ مذکورہ بالا کے پیش نظر، یہ تجویز پیش کی گئی ہے کہ اے جی ایم کے نوٹس کے ایجنڈا 5 میں عام قرارداد منظور کی جائے۔

نوٹس کا آئٹم نمبر 6- ڈائریکٹرز کی فیس میں اضافہ

بورڈ نے 14 مارچ 2024 کو منعقدہ اپنے 114 ویں اجلاس میں اخلاقیات، انسانی وسائل اور معاوضے کی کمیٹی (ایچ ای آر اینڈ آر سی) کی سفارشات پر ڈائریکٹرز کی فیس میں اضافے کی تجویز پیش کی ہے۔ بورڈ کی ہر میٹنگ میں شرکت کے لیے 50,000 روپے۔ آرٹیکل آف ایسوسی ایشن کی شق 64 کو تبدیل کر کے کسی بھی کمیٹی کے اجلاس میں معاوضے / فیس میں اضافے کا فیصلہ ڈائریکٹرز کی ذمہ داریوں کو نبھانے کے لیے درکار وقت اور کوششوں کی تلافی کرنے اور بورڈ (AOA) شرکت کے لیے 35,000 روپے اور بورڈ کی کمیٹیوں کے امور کے انتظام میں ان کی مہارت اور مہارت کی قدر کرنے کے لیے کیا گیا ہے۔ مذکورہ بالا کے پیش نظر، یہ تجویز پیش کی گئی ہے کہ اے جی ایم کے نوٹس کے ایجنڈا 6 میں خصوصی قرارداد منظور کی جائے۔

کمپنی کے ڈائریکٹرز میں سے کسی کا بھی مذکورہ بالا خصوصی کاروبار میں کوئی ذاتی مفاد نہیں ہے سوائے اس کے کہ وہ کمپنی کے شیر ہولڈرز یا ڈائریکٹرز کی حیثیت سے ہوں۔

خصوصی نکات

A. اجلاس میں شرکت کے لیے:

- افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، میٹنگ میں شرکت کے وقت اپنے اصل درست کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ کی تصدیق کرے گا۔

اشتیسویں (29) سالانہ جنرل میٹنگ کی اطلاع

7. مشترکہ شیئر ہولڈرز کے لیے ٹیکس

اس بات کو یقینی بنانے کے لیے کہ مشترکہ ناموں یا مشترکہ کھاتوں میں رکھے گئے حصص رکھنے والوں کے ساتھ انفرادی طور پر فائلرز یا نان فائلرز کے طور پر برتاؤ کیا جاتا ہے، ایسے تمام شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے پاس رکھے ہوئے حصص کے سلسلے میں پرنسپل شیئر ہولڈر اور جو انٹ ہولڈرز کے شیئر ہولڈنگ کا تناسب فراہم کریں۔ ہمارے شیئر رجسٹرار کو، نوٹس کے آخر میں بتائے گئے پتے پر، 17 اپریل 2024 کو کاروبار بند ہونے سے پہلے تحریری طور پر نیچے دیے گئے فارمیٹ کے مطابق۔

پر نیشنل شیئر ہولڈر/جو انٹ ہولڈرز کا نام	شیئر ہولڈنگ کا تناسب (%)	شناختی کارڈ نمبر (کاپی منسلک کریں)	فولیو/سی ڈی ایس اکاؤنٹ نمبر	کل شیئرز	دستخط

نوٹ: 17 اپریل 2024 تک معلومات نہ ملنے کی صورت میں، ہر شیئر ہولڈر کے پاس حصص کا مساوی تناسب فرض کیا جائے گا اور اس کے مطابق ٹیکس کی سٹوٹی کی جائے گی۔

8. الیکٹرانک ڈیویڈنڈ مینڈیٹ

کمپنیز ایکٹ 2017 کے سیکشن 242 کے تحت، تمام لسٹڈ کمپنیوں کے لیے یہ لازمی ہے کہ وہ اپنے شیئر ہولڈرز کو صرف الیکٹرانک موڈ کے ذریعے براہ راست متعلقہ شیئر ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں نقد ڈیویڈنڈ ادا کریں۔ براہ راست اپنے متعلقہ بینک اکاؤنٹ میں ڈیویڈنڈ حاصل کرنے کے لیے، حقدار شیئر ہولڈرز سے درخواست کی جاتی ہے کہ (اگر پہلے سے فراہم نہیں کیا گیا ہو) نیچے دیے گئے کیش ڈیویڈنڈ کے الیکٹرانک کریڈٹ کے لیے بینک مینڈیٹ فارم کو پُر کریں اور کمپنی کی ویب سائٹ پر بھی بھیجیں اور فزیکل شیئرز کی صورت میں شناختی کارڈ کی کاپی کے ساتھ اسے دستخط شدہ کمپنی کے شیئر رجسٹرار THK Associates (Pvt.) Ltd., 32-C، کراچی، پاکستان کو بھیجیں۔

سی ڈی ایس میں حصص رکھنے کی صورت میں، الیکٹرانک ڈیویڈنڈ مینڈیٹ فارم لازمًا براہ راست شیئر ہولڈر کے بروکرز/شرکت کنندہ/سی ڈی ایس اکاؤنٹ سروسز کو جمع کرایا جانا چاہیے۔

معلومات نہ ملنے کی صورت میں، کمپنی مقررہ تفصیلات کی فراہمی تک ایسے شیئر ہولڈرز کو ڈیویڈنڈ کی ادائیگی روکنے کی پابند ہوگی۔

کمپنی کا نام	
فولیو نمبر	
شیئر ہولڈر کا نام	
شناختی کارڈ	
رابطہ نمبر	
ای میل پتہ	
انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN - 24 digit) لازمی	PK
بینک کا نام	
برانچ کا نام/پتہ	
نیا خط و کتابت کا پتہ	

براہ کرم یہ بھی نوٹ کریں کہ کمپنیز ایکٹ، 2017 کے سیکشن 244 کی تعمیل میں، مطلوبہ طریقہ کار کی تکمیل کے بعد، مقررہ تاریخ سے تین سال کی مدت کے لیے بغیر دعویٰ کیے گئے تمام منافع اور قابل ادائیگی وفاقی حکومت کے پاس جمع کرائے جائیں گے۔

9. سالانہ رپورٹوں اور اجلاسوں کے نوٹسز کی سرکولیشن:

کمپنیز ایکٹ 2017 کے سیکشن 223(6) کی تعمیل میں، کمپنی نے الیکٹرانک طور پر سالانہ رپورٹ 2023 کو ای میل کے ذریعے ان شیئر ہولڈرز تک پہنچایا ہے جن کے ای میل پتے کمپنی کے شیئر رجسٹرار، THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے پاس دستیاب ہیں۔ ان معاملات میں، جہاں کمپنی شیئر رجسٹرار، THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے پاس ای میل ایڈریس دستیاب نہیں ہیں، مذکورہ مالیاتی گوشواروں کو ڈاؤن لوڈ کرنے کے لیے ویب لنک کے ساتھ AGM کا پرنٹ شدہ نوٹس بھیج دیا گیا ہے۔ کمپنی

انتیسویں (29) سالانہ جنرل میٹنگ کی اطلاع

شیر ہولڈرز AGM کے مجوزہ ایجنڈا آئٹمز کے لیے اپنے تہرے/مشورے ای میل: cs@agico.com.pk پر بھی فراہم کر سکتے ہیں۔

2. حصص منتقلی کی بندش

کمپنی کی حصص کی منتقلی کی بجس 18 اپریل 2024 سے 25 اپریل 2024 تک (دونوں دن سمیت) بند رہیں گی۔ 17 اپریل 2024 کو کاروبار کے اختتام پر موصول ہونے والی منتقلیوں پر ہمارے شیر رجسٹرار، میسرز ٹی ایچ کے ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، سی جی کمرشل اسٹریٹ-2، ڈی ایچ اے فیز 7، کراچی میں ممبران کے حتمی نقد ڈیویڈنڈ کے حقدار ہونے اور AGM میں شرکت اور ووٹنگ کے مقاصد کے لیے بروقت عمل کیا جائے گا۔

3. بچے کی تبدیلی

کمپنی کے ممبران سے درخواست کی جاتی ہے کہ ایڈریس میں تبدیلی اگر کوئی ہو تو فوری طور پر مطلع کریں، اور شیر رجسٹرار کو، فوئیو نمبر کو یکجا کرنے کا مطالبہ کریں، بشرطیکہ ممبر کے پاس ایک سے زیادہ فوئیو ہوں۔

4. ای ووٹنگ پوسٹل بیلٹ کے ذریعے ووٹنگ

کمپنی اپنے اراکین کو کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کی دفعات کے مطابق خصوصی کاروبار کے طور پر لین دین کرنے والے کسی بھی کاروبار کے لیے پوسٹل بیلٹ کے ذریعے ای ووٹنگ یا ووٹنگ کے اختیارات فراہم کرے گی۔ حصص یافتگان کو پوسٹل بیلٹ کے ذریعے ای ووٹنگ کے ذریعے اپنے حق رائے دہی کا استعمال کرنے کی اجازت ہوگی، جس طرح اور مذکورہ بالا قواعد و ضوابط میں موجود شرائط کے تابع ہوں۔

ای-ووٹنگ کا طریقہ کار

(ا) ای ووٹنگ کی سہولت کی تفصیل کمپنی کے ان اراکین کے ساتھ ای میل کے ذریعے شیر کی جائے گی جن کے پاس اپنے درست ای این آئی سی نمبر، سیل نمبر اور ای میل ایڈریس کمپنی کے اراکین کے رجسٹر میں 17 اپریل 2024 کے کاروبار کے اختتام تک دستیاب ہوں۔

(ب) ویب ایڈریس، لاگ ان کی تفصیلات، ای میل کے ذریعے اراکین کو بتائی جائیں گی۔ ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے ویب پورٹل سے ایس ایم ایس کے ذریعے اراکین کو سیکورٹی کوڈ سے آگاہ کیا جائے گا۔ (being the e-voting service providers).

(ج) ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت کی تصدیق الیکٹرانک دستخط یا لاگ ان کے لیے تصدیق کے ذریعے کی جائے گی۔

(د) ای ووٹنگ لائنیں 22 اپریل 2024، 09:00 a.m. سے شروع ہوں گی اور 24 اپریل 2024 کو 05:00 p.m. پر بند ہوں گی۔ ممبران اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار جب کسی قرار دہار پر اراکین کی طرف سے ووٹ ڈالا جاتا ہے، تو اسے بعد میں اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار

(ا) ان اراکین کے لیے جو پوسٹ کے ذریعے ووٹنگ کا انتخاب کرنا چاہتے ہیں، بیلٹ پیپر شائع کیا جا رہا ہے اور یہ کمپنی کی ویب سائٹ پر بھی دستیاب ہے:

<https://www.agico.com.pk/notices.php>

(ب) ممبران اس بات کو یقینی بنائیں گے کہ باضابطہ طور پر بھرا ہوا اور دستخط شدہ بیلٹ پیپر، سی این آئی سی/ای این آئی سی اپنی یا پاسپورٹ کی کاپی کے ساتھ (غیر ملکی شہری کی صورت میں) کمپنی کے رجسٹرڈ پوسٹ کے ذریعے اجلاس کے چیئرمین تک پہنچانا چاہئے۔ تیسری منزل، اسے ڈیلیوری پلازہ، مال، راول پنڈی یا ای میل پر cs@agico.com.pk سالانہ جنرل میٹنگ سے ایک دن پہلے، کام کے اوقات کے دوران۔

5. ڈیویڈنڈ کی رقم پر ووٹنگ ٹیکس کی سٹوٹی

انکم ٹیکس آرڈیننس، 2001 کے سیکشن 150 کے تحت ڈیویڈنڈ کی آمدنی پر ووٹنگ ٹیکس کی سٹوٹی اس طرح کی جائے گی:

15% انکم ٹیکس گو شواردز کے فائلرز کے لیے

30% انکم ٹیکس گو شواردز کے نان فائلرز کے لیے

کمپنی کو 30 فیصد کی بجائے 15 فیصد کیش ڈیویڈنڈ کی رقم پر ٹیکس سٹوٹی کرنے کے قابل بنانے کے لیے، تمام شیر ہولڈرز بشمول مشیر کم شیر ہولڈرز، جن کے نام FBR کی ویب سائٹ پر موجود ایجو ٹیکس پیئر ز لسٹ (ATL) میں درج نہیں ہیں، اس حقیقت کے باوجود کہ وہ، یا ان کے جوائنٹ ہولڈرز، فائلرز ہیں، کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کے نام 17 اپریل 2024 کو کاروبار کے اختتام تک اسے ٹی ایل میں داخل ہوں۔

6. ٹیکس سے اسٹی اورز کوٹہ کی سٹوٹی:

شیر ہولڈرز، جو ٹیکس اور/یا کوٹہ (جہاں قابل اطلاق ہو) سے اسٹی کا دعویٰ کرنے کا ارادہ رکھتے ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ 17 اپریل 2024 سے پہلے اپنے متعلقہ برود کر/کمپنی کے حصص کے رجسٹرار کو ٹیکس سے اسٹی کے درست سرٹیفکیٹ اورز کوٹہ ڈیکلریشن فراہم کر دیں۔

اٹیسویں (29) سالانہ جنرل میٹنگ کی اطلاع

اطلاع دی جاتی ہے کہ عسکری جنرل انشورنس لمیٹڈ (کمپنی) کے حصص یافتگان کی 29 ویں سالانہ جنرل میٹنگ (AGM) مندرجہ ذیل کاروبار کے لین دین کے لیے جمعرات 25 اپریل 2024 کو صبح 10:30 بجے Blue Lagoon، راولپنڈی میں منعقد ہوگی۔

عام امور:

1. 28 اپریل 2023 کو منعقدہ 28 ویں سالانہ جنرل میٹنگ کے منٹس کی تصدیق کرنے کے لیے۔
2. 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ، آڈٹ شدہ مالیاتی گوشواروں (جامع اور غیر مربوط) کو حاصل کرنے، غور کرنے، منظور کرنے اور اپنانے کے لیے چیئرمین جائزہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ۔



جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 223(7) کے تحت مطلوب ہے، مالیاتی گوشوارے کمپنی کو کمپنی کی ویب سائٹ پر اپ لوڈ کر دیا گیا ہے جسے درج ذیل لنک سے ڈاؤن لوڈ کیا جاسکتا ہے۔

<https://www.agico.com.pk/reports.php>

3. 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے 32.5 فیصد (3.25 روپے فی شیئر) کے حتمی نقد ڈیویڈنڈ کی ادائیگی پر غور اور منظوری کے لیے، جیسا کہ کمپنی کے ڈائریکٹرز نے تجویز کیا ہے۔
4. سال 2024 کے لیے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنا۔ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز نے یوسف عادل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو کمپنی کے قانونی آڈیٹرز کے طور پر دوبارہ تعینات کرنے کی سفارش کی ہے۔

خصوصی کاروبار

5. غور کرنے کے لیے، اور اگر مناسب سمجھا جائے تو، کیو آر فعال کو ڈاور ویب لنک کے ذریعے سالانہ آڈٹ شدہ اکاؤنٹس کی ترسیل کے لیے درج ذیل عام قرارداد منظور کریں:-
حل کیا گیا کہ "سالانہ بیننس شیڈ، منافع اور نقصان اکاؤنٹ، آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ کی گردش۔ اسے جی آئی سی او کا ("سالانہ آڈٹ شدہ اکاؤنٹس") اپنے اراکین کو ان کے رجسٹرڈ پتے پر سی ڈی/ڈی وی ڈی/ایو ایس بی کے بجائے کیو آر فعال کو ڈاور ویب لنک کے ذریعے۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعے جاری کردہ ایس آر او 3899/2023 (1) مورخہ 21 مارچ 2023 کو جاری کیا جائے گا اور اس کی منظوری دی جائے گی۔
مزید حل کیا گیا کہ "سالانہ آڈٹ شدہ مالیاتی بیانات کو اراکین کو ای میل کے ذریعے بھی تقسیم کیا جائے، اگر کمپنی کے اراکین کی طرف سے ای میل فراہم کی گئی ہو، تو اراکین کی رضامندی حاصل کیے بغیر۔
6. غور کرنا، اور اگر مناسب سمجھا جائے تو، کمیٹیوں اور بورڈ کے اجلاسوں میں حاضری کے لیے ڈائریکٹرز کی فیس میں اضافے کے لیے درج ذیل خصوصی قرارداد منظور کرنا:
حل کیا گیا کہ "صدر اور چیف ایگزیکٹو یا ایگزیکٹو ڈائریکٹر کے علاوہ ہر ڈائریکٹر کو بورڈ آف ڈائریکٹرز کے ہر اجلاس میں شرکت کے لیے 50,000 اور بورڈ آف ڈائریکٹرز کے ذریعے قائم کردہ دیگر تمام کمیٹی کے ہر اجلاس میں شرکت کے لیے 35,000 فیس ادا کرنے کا حق ہوگا۔"
7. چیئرمین کی اجازت سے کسی دوسرے کاروبار کا لین دین کرنا۔
بورڈ کے حکم سے

ذات

دقاص علی
کمپنی سیکرٹری

راولپنڈی

2024 اپریل 4

اہم نوٹ:

1. شیئر ہولڈرز کی شرکت

کمپنی کی طرف سے AGM میں شیئر ہولڈرز کی آن لائن ویڈیو کانفرنس، ذاتی طور پر شرکت یا مقررہ پراسیکور کے ذریعے شرکت کے لیے انتظامات کیے گئے ہیں۔ اس سہولت سے فائدہ اٹھانے کے لیے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ براہ کرم 17 اپریل 2024 کو کاروباری اوقات ختم ہونے سے پہلے ہمارے کمپنی سیکرٹری آفس cs@agico.com.pk پر درج ذیل تفصیلات فراہم کریں۔

فولیو سی ڈی سی اکاؤنٹ نمبر	نام	شناختی کارڈ نمبر	موبائل نمبر	ای میل پتہ

Proxy Form

I/We _____ of _____ being
 Member(s) of askari general insurance co. ltd, holding _____ ordinary shares, hereby
 appoint Mr./Mrs./Miss _____ of _____
 or failing him/her _____ of _____

who is also a member of the company, as my/ our proxy to vote for me/us, and on my/our behalf at the
 29th Annual General Meeting of the company to be held on Thursday 25th April, 2024 at 10:30 a.m. and at
 any adjournment thereof.

Folio No.	CDC Account No.		Signature
	Participant ID	Account No.	
			Rs. 50 Revenue Stamp

Signed this _____ day of _____ 2024.

Witness:

Signature _____

Name _____

Address _____

CNIC No./Passport No. _____

Notes:

1. Signature should agree with the specimen signature registered with the Company.
2. The Proxy Form must be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the Meeting.
3. No person shall act as proxy unless he/she is a member of the Company.
4. CDC Shareholders and their proxies are each requested to attach an attested Photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

پراکسی فارم

میں/ہم _____ آف _____

عسکری جہل انٹرنیشنل کمپنی لمیٹڈ کے ممبر (ممبران) ہوتے ہوئے، _____ عام شیئرز رکھتے ہیں، اور مسٹر/مسز/میں _____ کو نامزد کیا ہے _____ آف _____ غیر نامزد کرتے ہیں _____

جو کمپنی کا ممبر بھی ہے، میرے/ہمارے لیے ووٹ دینے کے لیے میرے/ہمارے پراکسی کے طور پر، اور میری/ہماری طرف سے کمپنی کی 29 ویں سالانہ میٹنگ میں جو جمعرات 25 اپریل 2024 کو صبح 10:30 بجے منعقد ہوگی۔ اور اس کے کسی بھی ملتوی ہونے پر۔

دستخط	سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
روپے 50 ریونیو سٹیٹ پیپ	اکاؤنٹ کا نمبر	شرکت کنندہ کی شناخت	

_____ 2024 کے اس _____ دن پر دستخط کئے۔

گواہ:

دستخط _____
 نام _____
 پتہ _____
 شناختی کارڈ نمبر/پاسپورٹ نمبر _____

اہم نوٹ:

- 1 دستخط کمپنی کے ساتھ رجسٹرڈ نمونے کے دستخط سے متفق ہونا چاہیے۔
- 2 پراکسی فارم میٹنگ کے انعقاد کے وقت سے 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں جمع کرانا ضروری ہے۔
- 3 کوئی بھی شخص پراکسی کے طور پر کام نہیں کرے گا جب تک کہ وہ کمپنی کارکن نہ ہو۔
- 4 کے شیئرز ہولڈرز اور ان کے پراکسیز سے ہر ایک سے درخواست کی جاتی ہے کہ وہ کمپنی کو جمع کرانے سے پہلے اس پراکسی فارم کے ساتھ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی ایک تصدیق شدہ فوٹوکاپی منسلک کریں۔



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