



بمیشکلت

73rd
ANNUAL
REPORT
2024

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Vision Statement

Our vision is to be the first choice company for all stakeholders, while achieving the stature of the market leader in the general insurance industry of Pakistan.



Mission Statement

Our mission is to be a professionally managed and financially sound, top general insurance company. Premier Insurance strives to work in the interest of all stakeholders including our clients, employees, reinsurers, shareholders and the nation.



CORE VALUES

Professionalism

Our clients deserve the best service. Premier Insurance guarantees that it remains Pakistan's first choice insurer by hiring highly competent, intelligent and skilled management to be able to best facilitate our client's needs.

Empathy

We are in the business of providing security because we understand our clients' apprehension when their valuable assets are at risk. With empathy, we are able to not only provide professional service but personalised service because we understand you.

Integrity

Premier Insurance upholds its integrity by being upright, honest and candid in all its dealings. With integrity, we foster trust by our clients in the company.

Tradition

Premier Insurance is Pakistan's first insurer and we have a long and proud tradition of promptly settling claims and providing exemplary service since 1952. The company was conceived for the service of the nation and till today we stand steadfastly by our founding principles which has helped us develop relationships lasting generations.



COMPANY INFORMATION

Board of Directors

Mr. Khalid Bashir
(Chairman)
Mr. Imran Maqbool
Mr. Ahsan Bashir
Mr. Attaullah A. Rasheed
Mr. Sharik Bashir
Mr. Salman Rafi
Mrs. Rukhsana Saleem

Chief Executive Officer

Mr. Nadeem Maqbool

Chief Financial Officer

Mr. Farhan Ali Salim

Company Secretary

Mr. Fariq Mahmood Khan Rohilla

Audit Committee

Mrs. Rukhsana Saleem
(Chairman)
Mr. Imran Maqbool
(Member)
Mr. Ahsan Bashir
(Member)
Mr. Rao Ali Zeeshan
(Secretary)

Ethics, Human Resource, Remuneration & Nomination Committee

Mr. Salman Rafi
(Chairman)
Mr. Sharik Bashir
(Member)
Mr. Nadeem Maqbool
(Member)
Mrs. Rukhsana Saleem
(Member)
Mrs. Niina Afridi
(Secretary)

Investment Committee

Mr. Ahsan Bashir
(Chairman)
Mr. Nadeem Maqbool
(Member)
Mr. Imran Maqbool
(Member)
Mr. Attaullah A. Rasheed
(Member)
Mr. Farhan Ali Salim
(Secretary)

Claim Settlement Committee

Mr. Imran Maqbool
(Chairman)
Mr. Nadeem Maqbool
(Member)
Mr. Ahsan Bashir
(Member)
Mr. Hassan Mustafa
(Secretary)

COMPANY INFORMATION

Underwriting Committee

Mr. Attaullah A. Rasheed
(Chairman)
Mr. M.K.Baig
(Member)
Mr. Ali Asgher Bhogani
(Member)
Mrs. Kiran Parveen
(Secretary)

Risk Management & Compliance Committee

Mr. Nadeem Maqbool
(Chairman)
Mr. Sharik Bashir
(Member)
Mr. Farhan Ali Saleem
(Member)
Mrs. Niina Afridi
(Secretary)

Registrar

FAMCO Share Registration
Services (Pvt) Limited
8-F, Next to Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahrah-e-Faisal,
Karachi.
P : (21) 34380101-2
F : (21) 34380106
E : www.famcosrs.com

Reinsurance & Co-Insurance Committee

Mr. Sharik Bashir
(Chairman)
Mr. Ali Asgher Bhogani
(Member)
Mr. Ali Muhammad
(Secretary)

Auditors

BDO Ibrahim & Co, Chartered Accountants.

Legal Advisors

Mandviwalla & Zafar Advocates

Registered & Head Office

5th Floor, State Life Building No.2A
Wallace Road, Karachi-74000,
Pakistan.

P : (21) 32416331-4
F : (21) 32416572
E : info@pil.com.pk
W : www.pil.com.pk

OUR JOURNEY

1952 - Zahid Hussain, the 1st Governor of the State Bank of Pakistan brought together leading industrialists of the newly established country realising the need for a Pakistani insurer - a crucial component for a young, burgeoning economy. This event set into motion the conception of Premier Insurance, a company with a vision to serve the nation.

Today, the company remains steadfast by its founding principles. It is a leading insurer listed on the Karachi, Lahore and Islamabad Stock Exchanges having earned numerous Top Companies' Awards. Premier Insurance is a member of the Insurance Association of Pakistan, a member of the Management Association of Pakistan and is licensed by the Securities and Exchange Commission of Pakistan.

Our business spans the country, provides services to clients across all economic sectors and offers products in all classes of general insurance. Premier Insurance employs exceedingly proficient management that enables the company to remain competitive, growing and at the cutting edge of technology.

It is our historical practice of striving to achieve prompt settlement of even the largest claims that has allowed us to build relationships lasting generations, with some of the oldest institutions of Pakistan, and attract new clients seeking to prosper in the modern economy.

With our values firmly anchored in our founders' objective of serving the nation, we are committed to maintaining and forever building upon our tradition of excellence in all that we do.

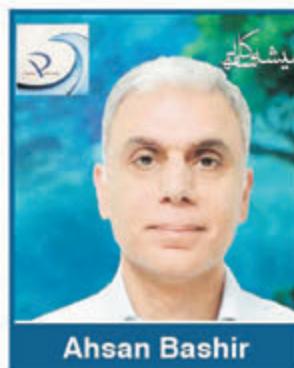
Board Of Directors



Nadeem Maqbool



Imran Maqbool



Ahsan Bashir



Sharik Bashir



Attaullah A Rasheed



Salman Rafi



Rukhsana Saleem

Premier Insurance is a stalwart of the insurance industry of Pakistan. As the first company created after the independence of Pakistan, the company has for long been a trusted partner for her clients, and an anchor institution that has thrived through the history of this nation. Boasting a strong balance sheet and maintaining our reputation of trust and reliability, we are confident that the company will continue to be a partner of choice for the leading businesses of Pakistan.

With the combined efforts of our new team and the old trusted faces that have been with us through decades, we believe that Premier Insurance will push boundaries and expand business rapidly throughout the nation. Given the positive economic climate, improved security, greater foreign investment and growing middle class, we feel the company is well-poised to succeed in a revitalised Pakistan. The company will continue to innovate, continue to provide creative solutions to protect our clients from risks and continue to be a model of exemplary service in the years to come. May Premier Insurance and Pakistan prosper always.



Khalid Bashir
Chairman

KEY OPERATING AND FINANCIAL DATA

	2024	2023	2022	2021	2020	2019
Paid-up capital	505,650	505,650	505,650	505,650	505,650	505,650
Capital reserves	19,675	19,675	19,675	19,675	19,675	19,675
Revenue reserves	673,726	422,071	330,088	807,058	811,584	631,698
Total reserves	693,401	441,746	349,763	826,733	831,259	651,373
Total equity	1,199,051	947,396	855,413	1,332,383	1,336,909	1,157,023
Total assets	3,005,670	2,615,861	2,843,926	3,479,358	3,249,280	2,975,300
Premium written (Including Takaful Contribution)	731,294	700,140	775,187	770,470	607,425	633,067
Premium written	497,674	515,683	606,816	602,428	532,726	501,364
Net premium	269,732	314,859	288,183	246,737	195,194	223,329
Investment income	212,301	45,685	(3,651)	151,791	22,366	(135,584)
Impairment of financial assets	-	-	(49,546)	(9,397)	(26,996)	(167,430)
Profit / (loss) before taxation	74,225	16,277	(183,075)	(19,311)	(110,036)	(274,655)
Profit / (loss) after taxation	69,059	7,938	(190,265)	(27,534)	(117,112)	(239,761)
Return on equity(%)	6.00%	0.88%	-17.39%	-2.06%	-9.39%	-20.24%
Book value per share(Rs.)	23.71	18.74	16.92	26.35	26.44	22.88
Earnings / (loss) per share (Rs.)	1.37	0.16	(3.76)	(0.54)	(2.32)	(4.74)
Cash dividend (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stock dividend (Bonus - %)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CHAIRMAN'S REVIEW

It is my pleasure to present the 73rd Annual Report of your Company.

The year 2024 marked a significant turning point for the recovery and stabilization of Pakistan's economy. Following the general elections in February 2024, the new government assumed office in March 2024 and in 6 months they successfully secured a Staff-Level Agreement for a USD 7 billion, 37-month Extended Fund Facility (EFF) program with the International Monetary Fund (IMF), which provided essential financial support on the external front. The external account position of the country saw substantial improvement in 2024, with the current account recording a surplus of USD 912 million, the first annual surplus since 2004. A key factor contributing to the stability of the external account was the increase in worker remittances, which rose by 32% year-on-year, reaching a total of USD 34.7 billion in 2024. Although the trade deficit widened to USD 23.4 billion from USD 19.5 billion in the previous year, exports experienced a robust growth of 11%.

SBP's foreign exchange reserves reached USD 11.7 billion by December 2024. A stable currency environment, a significant base effect, and a notable decrease in food inflation contributed to a downward trend in overall inflation throughout the year allowing the SBP to significantly lower interest rates. The benchmark policy rate was reduced by 9% during the year followed by a further 100 points in January 2025. The KSE-100 index responded positively to the improved macroeconomic conditions, closing at a record high in December 2024 making it one of the top performers globally in 2024.

Operations

During the period under review, the Company's overall performance has shown some improvement and the management is continuing its efforts to improve further. During 2024, the Gross premium written was Rs. 731.39 million as against Rs. 700.14 million of the same period last year. On the investment side, the company earned Investment income of Rs. 212.30 million as compared to Rs. 45.684 million in the same period last year. The profit before tax was Rs. 77.15 million as against Rs. 16.28 million and profit after taxation was Rs. 69.06 million as against Rs. 7.94 million of last year.

The Company's Window Takaful Operations reported a gain of 26% in gross written contribution during the year 2024. The overall claim ratio increased by 33% as compared to last year due to which Takaful Operation reported loss before taxation to Rs. (4.19) million as against profit of Rs. 11.35 million of last year.

Premier Insurance is dedicated to enhancing stakeholder value by nurturing trust with its established clientele while focusing on both existing and new products. Recognizing the necessity of remaining competitive in today's global landscape, the company is committed to pursuing this objective to boost shareholder returns and establish itself as a market leader. We continue to strengthen our customer relationships. The management team is resolute in its commitment to improving performance in the years ahead.

I wish to place on record my appreciation and gratitude for the support received by the Company from Board of Directors, the Securities and Exchange Commission of Pakistan. I would also like to thank the field force, officers and staff of the Company for the dedicated efforts and all our stakeholders.

Khalid Bashir
Chairman

چیئر میں کاجائزہ

آپ کی کمپنی کی 73 ویں سالانہ رپورٹ پیش کرتے ہوئے میں اظہار سرگرمی کرتا ہوں۔

سال 2024 پاکستانی میشیٹ کی بھالی اور استحکام کے لیے ایک اہم موڑ رہا۔ فروری 2024 میں ہوتے والے عام انتخابات کے بعد نئی حکومت نے مارچ 2024 میں اپنا عہدہ سنبھالا اور 6 ماہ میں اس کے ساتھ 7 بیان امریکی ڈالر 37 ماہ کے تو سیمی فنڈ بولٹ (EFF) پر گرام کے لیے انٹریشنل مائیٹری فنڈ (IMF) کے ساتھ اضافی بول اگر یہ سنت حاصل کر لیا، جس سے یہ وہی معاذز پر بیوادی مالیاتی معاونت ملی۔ 2024 میں ملک کے یہ وہی کھاتوں کی پوزیشن میں خاطر خواہ بہتری دیکھنے میں آئی، رواں کھاتے میں 912 ڈالر 90 ہوا جو کہ 2004 کے بعد سے پہلا سالانہ سرٹس ہے۔ یہ وہی کھاتے کے استحکام میں اہم کروارادا کرنے والا ایک اہم عضر ہے اور ملک مزدوروں کی ترسیلات زر میں اضافہ تھا جو کہ گزشتہ سال کی پہلی 32 فصیلہ میں 34.7 ارب ڈالر تک پہنچ گئی۔ اگرچہ تجارتی خسارہ پہنچے سال کے 19.5 ڈالر کے مقابلے میں ہڑھ کر 23.4 ڈالر کی ڈالر تک پہنچ گیا لیکن برآمدات میں 11 فصیلہ کی تبدیلی نہ ہوئی۔

وکبر 2024 تک SBP کے زر مبارکہ ڈالر کے ڈالر 11.7 ڈالر کی ڈالر تک پہنچ گئے۔ کرنی کا ایک محکم ماحول، ایک اہم بنیادی اثر اور نقدانی افراط از رہ میں نمایاں کی نے سال بھر مجموعی افراط از رہ میں کی کے رہا جان میں حصہ ڈالٹس سے SBP کی شرح سود میں نمایاں کی تھی ہوئی۔ سال کے دوران تین مارک پالیسی نرخ میں 9% کی گئی جس کے بعد جو فری 2025 میں مزید 100 ڈالن پاؤ نس کی کی ہوئی۔ KSE-100 انڈسکس نے بہتر معاشری حالات میں ثابت کر کر دی وکھائی، وکبر 2024 میں ریکارڈ بلندی پہنچ کر بند ہوا اور اسے 2024 میں عالمی سطح پر اعلیٰ کارکردگی دکھانے والوں میں سے ایک بنادیا۔

آپ بیسٹ

ذیر جائزہ مدت کے دوران، کمپنی کی مجموعی کارکردگی میں کچھ بہتری آئی ہے اور انتظامیہ مزید بہتری کے لیے اپنی کوششیں جاری رکھے ہوئے ہیں۔ 2024 کے دوران تحریری مجموعی پر یکم 731.39 ڈالن روپے رہا جبکہ گزشتہ سال اسی مدت میں 700.14 ڈالن تھا۔ سرمایکاری کی جانب دیکھا جائے تو کمپنی کو 30.30 ڈالن روپے کی سرمایکاری سے آمدی ہوئی جو گزشتہ سال اسی مدت میں 45.684 ڈالن تھی۔ منافی میں از گیکس 15.15 ڈالن روپے رہا جو کہ گزشتہ سال اسی مدت میں 28.28 ڈالن روپے تھا اور منافی اعداد از گیکس 69.06 ڈالن روپے رہا جو کہ گزشتہ سال 7.94 ڈالن روپے تھا۔

سال 2024 کے دوران کمپنی کے وثائق افیل آپ بیسٹ کے مجموعی تحریری کمٹری پوزیشن میں 26% اضافہ ہوا۔ کل کیم کی شرح میں گزشتہ سال کے مقابلے میں 33% اضافہ ہوا جس کی وجہ سے کافی آپ پوزیشن میں خسارہ قبیل از گیکس (4.19) ڈالن روپے رہا جبکہ گزشتہ سال منافی 11.35 ڈالن روپے تھا۔

پریمیر انشوسرس موجودہ اور نئی مصنوعات و فوں پر توجہ رکھ رکھتے ہوئے اپنے قائم کردار کا لائٹ کے اعتماد کو فروغ دے کر مستفیدان کی قدر کو بڑھانے کے لئے کوشش ہے۔ آج کے عالمی مظہر نامے میں مسابقت پذیر بہنے کی ضرورت کو تسلیم کرتے ہوئے کمپنی اس مقصد کے حصول میں پر عزم ہے تاکہ حصہ یادگان کے منافی میں اضافہ ہو اور خود کو مارکیٹ میں ایک قائد کے طور پر ابھارا جاسکے۔ ہم تسلیم کے ساتھ اپنے صارفین سے تعلقات کو سلکھ رکھتے ہیں۔ انتقالی ٹیکم آئندہ سالوں میں کارکردگی کو بہتر بنانے کے اپنے عزم کے لئے کوشش ہے۔

میں بورڈ آف ڈائریکٹرز، سکیو ریٹری اینڈ آپنچن کمیشن آف پاکستان کی جانب سے کمپنی کو ملنے والے تعاون پر انہیں اپنی ستائش اور شکریہ پیش کرنا چاہتا ہوں۔ میں فیلڈ فورس، کمپنی کے افسران اور عملے کی سرشار کوششوں اور اپنے تمام مستفیدان کا شکریہ ادا کرنا چاہتا ہوں۔

خالد بشیر
چیئر میں

REPORT OF THE DIRECTORS TO MEMBERS

The Directors of your Company are pleased to present the 73rd Annual Report of the Company together with the audited financial statements and Auditors' Report thereon for the year ended December 31, 2024.

Economic Situation

During the Financial year 2024, Pakistan's economy showed an improvement with GDP growth of 2.50% as against (0.29% - 2023). The improvement was mainly attributable to the services sector as the industrial sector faced with a high cost of doing business showed a decline of 1.7%. With an improvement in inflation, the government moved swiftly to reduce the policy rate by 9% during the year under review. The equity markets performed well for the period under review and the 100 index closed at 115,126 points at the year end. Despite challenges, the projections for the current year are optimistic and because of fiscal consolidation efforts, Pakistan's economic growth for FY 2025 is estimated at 3.2%. However, we must caution against ignoring our country's industrial base which provides employment and has the potential to boost exports.

Performance Review

Following is the overall performance of the Company for the year ended December 31, 2024

	Conventional		Takaful	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
----- (Rupees in '000) -----				
Premium / contribution written	497,674	515,683	233,620	184,457
Net Premium / contribution	269,732	314,859	104,065	88,922
Underwriting Result	(136,087)	(56,972)	(12,242)	3,861
Investment Income / (loss)	212,301	45,685	1,681	318
Profit / (Loss) before taxation	74,225	16,277	(4,197)	11,347
Profit / (Loss) after taxation	69,059	7,938	-	-
Earnings / (Loss) per share	1.37	0.16		

Conventional Operations

The Company's operations reflected a decline in Gross Written Premium in comparison to the same period last year. Net Premium experienced a reduction of 14% relative to the previous year. The Fire segment exhibited a growth of 30%, while the Marine segment remained relatively stable. The Motor and Health segments saw decreases of 9% and 20%, respectively, whereas the Miscellaneous segment recorded an increase of 8%. The company generated Investment income amounting to Rs. 212.301 million, a significant rise from Rs. 45.684 million during the corresponding period last year. General and administrative expenses increased mainly due to normal inflation and the company's efforts at developing a core marketing team for enhancing its market share. The profit before tax stood at Rs. 74.22 million, in comparison to a profit of Rs. 16.28 million from the previous year, and the profit after taxation was Rs. 69.06 million, compared to a profit after tax of Rs. 7.94 million from the prior year.

REPORT OF THE DIRECTORS TO MEMBERS

Window Takaful Operations

The gross contribution from the Company's Window Takaful Operations experienced a growth of 26% in comparison to the previous year. The Fire, Marine, Motor, and Health sectors saw increases of 16%, 9%, 13%, and 51%, respectively, while the Miscellaneous sector experienced a decline of 23%. Additionally, the overall net claims ratio rose by 33% compared to the prior year.

Credit Rating

Your Company has been rated by PACRA and has assigned a rating of "A" to the Company.

Annual Evaluation of the Board's Performance

The Board has placed a mechanism to evaluate its performance annually as required by the Code of Corporate Governance.

Future Outlook

Although challenges remain, we feel that the Company is now poised for growth as the management continues its marketing efforts to gain market share. We are confident that with the improvement in economic indicators we expect business and trade to grow, Premier will be in a position to take advantage. Our organization remains committed to capitalize on new opportunities as well as increase its focus on digitization. This is very important as the insurance penetration in future will depend on this to a large extent. Our ongoing goals focus on enhancing revenue and profitability through strategic restructuring and cost reduction initiatives. Efforts to restructure the portfolio by phasing out unprofitable customers continue. We remain hopeful to improve our results translating into better value for our stakeholders.

Reinsurance/Re Takaful

Your Company continues to enjoy very sound Reinsurance and Re-Takaful arrangements for both Conventional and Takaful operations with leading international companies such as SAUDI Re, Labuan Re, Labuan Re-Takaful, Tunis Re-Takaful Arab Re, and Kenya Re.

Corporate and Financial Reporting Framework

The financial statements prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

- i. Proper books of accounts have been maintained by the Company.
- ii. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- iii. Approved Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

REPORT OF THE DIRECTORS TO MEMBERS

- iv. The system of internal controls is sound in design and has been effectively implemented and monitored.
- v. There is no significant doubt about the Company's ability to continue as a going concern.
- vi. There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
- vii. Key operating and financial data for the last six years is annexed with the report.
- viii. The value of investments of Provident Fund based on an audited financial statements as at December 31, 2023 was Rs. 97.60 million.
- ix. The statement of pattern of shareholding in the Company as at 31 December 2024 is included with the Report.
- x. During 2024, four meetings of the Board were held, with at least one in each quarter, and were attended as follows:

Name of director	Meetings attended
Mr. Khalid Bashir - Chairman	4
Mr. Ahsan Bashir	4
Mr. Imran Maqbool	4
Mr. Sharik Bashir	4
Mr. Attaullah A Rasheed	4
Mr. Salman Rafi	4
Mrs. Rukhsana Saleem	1

Leave of absence was granted to director unable to attend a meeting.

Compliance with the Code of Corporate Governance

A statement of compliance with the Code of Corporate Governance is annexed with this report.

Related Party Transactions

All related party transactions are entered on arm's length basis in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2017. All related party transactions during the year 2024 were placed before the Audit Committee and the Board for their review and approval. These transactions were reviewed by the Audit Committee and approved by the Board.

Statement of Ethics and Business Practices

The Board has adopted the Statement of Ethics and Business Practices and placed the same on its website. This has been disseminated to all the employees who are required to observe these rules of conduct in relation to business and regulations.

REPORT OF THE DIRECTORS TO MEMBERS

Board of Directors

The Board of Directors consists of seven individuals having the knowledge, experience and skill required to provide oversight and the strategic guidelines to the Company. Except Chief Executive and one director, all the directors of the Company are non-executive directors.

Directors' Remuneration Policy

In order to comply with Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company has a policy with respect to the remuneration of Chairman, Chief Executive, Non-Executive, Executive and Independent Directors. The Board of Directors have approved the meeting attending fee for Board, Audit and other committee meetings.

Board Committees

The Board constituted committees as required under the Code of Corporate Governance namely:

Audit Committee, Ethics, Human Resource, Remuneration & Nomination Committee, Underwriting, Claims, Reinsurance and Co-insurance, Investment and Risk Management & Compliance Committees. The committees are chaired by members having sound experience in giving strategic direction to the company through these committees. The responsibilities of the committees are defined by Terms of Reference which are set in accordance with the requirements of the Code. All committees have met during the year as required by the Code.

Appointment of Auditors

On the recommendation of the Board's Audit Committee, the Board of Directors has recommended the appointment of M/s. BDO Ebrahim & Co. (Chartered Accountants) as statutory auditors of the company for the next term i.e., year ending on December 31, 2025 for the approval of the members in the AGM.

Acknowledgement

We would like to thank our valued customers for their continued patronage and support and to our Re-Insurers, Securities and Exchange Commission of Pakistan and State Bank of Pakistan for their guidance and assistance.

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

On behalf of the Board

Chairman

CEO/Director

Karachi, Dated: March 26, 2025

آڈیئرز کی تقری

بوروڈ کی آٹھ کمپنی کی سفارش پر بورڈ آف ڈائریکٹرز نے میسرز BDO ابراہیم اینڈ کو (چارٹرڈ اکاؤنٹنٹس) کی اگلی مدت یعنی 31 دسمبر 2025 کو ختم ہونے والے سال کے لئے آئینی آڈیٹر کی حیثیت سے تقری کی سفارش کی ہے جس کی مظاہری AGM میں ممبران سے لی جائے گی۔

اعتراف

ڈائیکٹر ان اپنے قابل قدر گاہوں کی مسلسل سرپرستی اور تعاون اور ری انشوررز، سیکیوریٹیز ایڈیشن پیچھے کیمیش آف پاکستان اور اسٹیٹ بینک آف پاکستان کی رہنمائی اور مدد پر ان کے مکھور ہیں۔

آپ کے ڈائریکٹر ان کمپنی کے افسران، فیلڈ فورس اور ملازمین کی کوششوں پر تبدیل سے ستائش پیش کرتے ہیں جنہوں نے کمپنی کی خواہ اس کے کاروبار کی مسلسل کامیابی میں معاونت کی۔

منیاں بورڈ

کی ای اے/ڈاٹ سر پیکٹر

چیز میں

کراچی مورخہ 26 مارچ 2025

کوڈ آف کار پوریٹ گورننس کی پاسداری
کوڈ آف کار پوریٹ گورننس کی پاسداری کا بیان اس روپورٹ میں مسلک کیا گیا ہے۔

ملحق فریقین کے ساتھ سودے

ملحق فریقین کے ساتھ سودے عمومی طریقہ کار کے تحت یہاں بنیاد پر اونیشنری ایکٹ 2017 کی لاگوشتوں کی پاسداری کرتے ہوئے انجام دیئے گئے۔ سال 2024 کے دوران ملحق فریقین کے ساتھ سودوں کو آڈٹ کمیٹی اور بورڈ کے روبرو جائزہ اور منظوری کے لئے پیش کیا گیا۔ ان سودوں کا جائزہ آڈٹ کمیٹی نے لیا اور ان کی منظوری بورڈ نے دی۔

اخلاقيات اور کار باری طور طریقوں سے متعلق بیان

بورڈ نے اخلاقيات اور کار باری طور طریقوں پر مشتمل بیان کو اختیار کیا ہے اور اسے اپنی ویب سائٹ پر ڈال دیا ہے۔ اسے تمام ملاز میں میں تقسیم کر دیا گیا ہے جن کے لئے ضروری ہے کہ کار بار اور ضابطوں سے متعلق ان اصولوں پر عمل کریں۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز سات افراد پر مشتمل ہے جو کہ کمپنی کی تحریکی اور کلیدی رہنمائی کے لئے درکار علم، تجربہ اور مہارت کے حامل ہیں۔ چیف ایگزیکٹو اور ایک ڈائریکٹر کے سوا کمپنی کے تمام ڈائریکٹران نان ایگزیکٹو ڈائریکٹران ہیں۔

ڈائریکٹران کے معاوضے کی پالیسی

کمیشنری ایکٹ 2017، بلکچنیز (کوڈ آف کار پوریٹ گورننس) ریگولیشن 2019 کی پاسداری کرتے ہوئے کمپنی کے پاس چیئرمین، چیف ایگزیکٹو، نان ایگزیکٹو، ایگزیکٹو اور آزاد ڈائریکٹران کے معاوضے سے متعلق ایک پالیسی موجود ہے۔ بورڈ آف ڈائریکٹرز نے بورڈ، آڈٹ اور دیگر کمیٹیوں کے اجلاس میں شرکت کے لئے فیں منظور کی ہے۔

بورڈ کی کمیٹیاں

بورڈ نے کوڈ آف کار پوریٹ گورننس کے تقاضوں کے تحت درج ذیل کمیٹیاں تشکیل دی ہیں:

آڈٹ کمیٹی، اخلاقيات، انسانی وسائل، معاوضہ اور نامزوگی کمیٹی، ائڈر رائٹنگ، ٹکمیر، ری انسورنس اینڈ کاؤنسل، انویسٹمنٹ اینڈ رسک میجمنٹ اور کمپلائنس کمیٹیاں۔ ان کمیٹیوں کے چیئرمین ایسے ممبران ہیں جو کمپنی کو ان کمیٹیوں کے ذریعے کلیدی سمت بندی فراہم کرنے کے لئے مختص تجربہ رکھتے ہیں۔ کمیٹیوں کی ذمہ داریوں کا تعین ضابطے کے تقاضوں کے تحت کیا گیا ہے۔ ضابطے کے تحت سال کے دوران تمام کمیٹیوں کے اجلاس ہوئے۔

کار پوریت اور مالیاتی رپورٹ فریم ورک

- کمپنی کی انتظامیہ کی جانب سے تیار کئے گئے مالیاتی گوشوارے کمپنی کے معاملات کی موجودہ حالت، اس کی سرگرمیوں کے نتائج، کیش فلواور ایکوئیٹر میں تبدیلی کو شفاف طور پر پیش کرتے ہیں۔
- i کمپنی کے کھاتوں کی کتابیں مناسب انداز میں مرتب کی گئی ہیں۔
 - ii کمپنی کے مالیاتی گوشاروں کی تیاری میں تسلیم کے ساتھ مناسب حساباتی پالیسیاں اختیار کی گئی ہیں اور حساباتی تجھیزوں کی بنیاد محتاط اور مناسب فیصلوں پر ہے۔
 - iii منظور شدہ اکاؤنٹنگ کے معیارات جو پاکستان میں لاگو ہیں، ان کی مالیاتی گوشاروں کی تیاری میں پیروی کی گئی ہے اور کسی بھی انحراف کو مناسب انداز میں واضح کیا گیا ہے۔
 - iv اندر وی فرٹ کے نظام کو مضبوط طرز پر بنایا گیا ہے اور اس کا موثر طور پر نفاذ کیا گیا ہے اور گرفت کی جاتی ہے۔
 - v کمپنی کے مسلسل چلتے ہوئے ادارے کی حیثیت میں کوئی تک و شبہ نہیں ہے۔
 - vi لستنگ ریگولیشنز میں میہان کئے گئے ادارتی انظم و ضبط کے بہترین طور طریقوں سے کوئی بڑا انحراف نہیں ہوا۔
 - vii گزشتہ چھ سالوں کے کارباری اور مالیاتی اندو شمار اس رپورٹ کے ساتھ ملک ہیں۔
 - viii پرویڈر فنڈ کے آڈٹ شدہ مالیاتی گوشوارے سال منتمی 31 دسمبر 2023 کی بنیاد پر سرمایہ کاری کی مالیت 97.60 ملین روپے ہیں۔
 - ix کمپنی کی حصہ داری کی ساخت کا گوشوارہ برائے 31 دسمبر 2024 رپورٹ میں شامل کیا گیا ہے۔
 - x 2024 کے دوران بورڈ کے پانچ اجلاس ہوئے، ہر سہ ماہی میں کم از کم ایک اور جن میں حاضری درج ذیل رہی:

حاضر اجلاسوں کی تعداد

ڈائریکٹر کا نام	مقرر
مسٹر خالد بشیر - چیئرمین	4
مسٹر احسن بشیر	4
مسٹر عمران مقبول	4
مسٹر شارق بشیر	4
مسٹر عطاء اللہ اے رشید	4
مسٹر سلمان رفیع	4
مسٹر رحمنہ سلیم	1

جو ڈائریکٹر حاضر نہ ہو سکے ان کی رخصت منظور کر لی گئی۔

روایتی بیس کاری

ان آپ پریسٹر کے خام تحریر شدہ پریسٹم میں گزشتہ مدت کی پہنچت کی ہوئی۔ گزشتہ سال کی پہنچت خالص پریسٹم میں 14 فیصد کی ہوئی۔ آگ کے شعبے میں 30 فیصد نمودرہ ہوئی جبکہ میرین کے شعبہ نبتاب میکٹم رہا۔ موڑ اور صحت کے شعبوں میں بالترتیب 9 فیصد کی ہوئی جبکہ متفرق شعبے میں 8 فیصد اضافہ ہوا۔ کمپنی کی سرمایہ کاری آمن 212.301 ملین روپے رہی جو کہ گزشتہ مدت کی 45.684 ملین روپے سے زیادہ ہے۔ عمومی اور انتظامی اخراجات میں اضافہ کی بنیادی وجہ عام افراط زر اور کمپنی کی مارکیٹ میں اپنا حصہ بڑھانے کی کوششوں کے تحت بنیادی مارکینگ ٹیم میں اضافہ تھا۔ منافع قبل از ٹکس 74.22 ملین روپے رہا جبکہ گزشتہ سال منافع 16.28 ملین روپے رہا اور منافع بعد از ٹکس 69.06 ملین روپے رہا جو کہ گزشتہ سال 7.94 ملین روپے تھا۔

وڈو ہکا فل بیس کاری

کمپنی کے وڈو ہکا فل آپ پریسٹر کے خام کنٹری یوشن میں گزشتہ سال کی پہنچت 26 فیصد اضافہ ہوا۔ فائز، میرین، موڑ اور صحت کے شعبوں میں بالترتیب 16 فیصد، 9 فیصد، 13 فیصد اور 5 فیصد اضافہ ہوا جبکہ متفرق شعبے میں 23 فیصد کی ہوئی۔ اس کے علاوہ خالص کلیم کی مجموعی شرح میں گزشتہ سال کی پہنچت 33 فیصد اضافہ ہوا۔

کریٹریٹ رینگ

آپ کی کمپنی کی رینگ PACRA کرتی ہے اور PACRA نے آپ کی کمپنی کو "A" رینگ سے نوازا ہے۔

بوروڈ کی کارکردگی کی سالانہ تفصیل

کوڈ آف کار پوریٹ گورننس کے تقاضوں کے تحت بوروڈ نے اپنی کارکردگی کی تفصیل کے لئے ایک نظام تکمیل دیا ہے۔

مستقبل کی پیش بینی

اگرچہ چینیز باتی میں لیکن ہم محسوں کرتے ہیں کہ کمپنی اب ترقی کے لیے تیار ہے کیونکہ انتظامیہ مارکیٹ میں اپنا حصہ بڑھانے کے لیے اپنی مارکینگ کی کوششیں جاری رکھے ہوئے ہے۔ ہم توقع کرتے ہیں کہ معاشری اشاریوں میں بہتری کے ساتھ کاروبار اور تجارت بڑھے گی جس سے پریمیئر استفادہ کرنے کی پوزیشن میں ہوگی۔ ہمارا ادارہ نے موقع سے فائدہ اٹھانے کے ساتھ ساتھ ڈیجیٹلائزیشن پر اپنی توجہ بڑھانے کے لیے پر عزم ہے۔ یہ بات انتہائی اہم ہے کہ مستقبل میں ان شورنس کی رسائی کافی حد تک ڈیجیٹلائزیشن پر منحصر ہوگی۔ ہمارے عمومی اہداف میں ہماری توجہ ادارے میں تنظیم فو اور لگت میں کمی کے اقدامات کے ذریعے آمدی اور منافع کو بڑھانے پر مرکوز ہے۔ غیر منافع بخش صارفین کو مرحلہ وار ختم کر کے پورٹ فولیو کی تکمیل نوکی کوششیں جاری ہیں۔ ہم اپنے متانگ میں بہتری لاتے ہوئے حصہ داروں کی سرمایہ کاری قدر میں اضافے کے لئے پر امید ہیں۔

ری انشورش بیس کاری

آپ کی کمپنی مستقل روایتی اور ہکا فل دونوں کے لئے انتہائی میکٹم ری ان سورش بیس کار اور ری ہکا فل سہولت سے استفادہ کر رہی ہے جن میں سرفہرست عالمی کمپنیوں جیسے سعودی ری، لابن ری، لابن ری، تیونس ری ہکا فل عرب ری، تیونس ری ہکا فل ری اور کینیاری شامل ہیں۔

ممبران کے لئے ڈائریکٹر ان کی رپورٹ

آپ کی کمپنی کے ڈائریکٹر ان کمپنی کی 73 ویں سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالیاتی گوشوارے برائے اختتام پذیر سال 31 دسمبر 2024 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

معاشری صورتحال

مالیاتی سال 2024 کے دوران پاکستانی میکیٹ میں بہتری نظر آئی یعنی GDP کی شرح نمو 5.05 فیصد رہی جو کہ گزشتہ سال 2023 میں 0.29 فیصد تھی۔ یہ بہتری بنیادی طور پر خدمات کے شعبے کی وجہ سے تھی کیونکہ صنعتی شعبے کو اکارو بار کرنے کی زیادہ لگت کا سامنا کرنے پڑا جس سے 1.7 فیصد کی کمی واقع ہوئی۔ افراطی رہیں کمی کے ساتھ حکومت نے زیر جائزہ سال کے دوران پاکیسٹانی نرخ کو 9 فیصد تک کم کرنے کے لیے اقدامات کئے۔ بازار حصہ نے زیر جائزہ مدت میں اچھی کارکردگی کا مظاہرہ کیا اور 100 ائمکیس سال کے اختتام پر 115,126 پاؤنس پر بند ہوا۔ چینیوں کے باوجود، موجودہ سال کے لیے پیشگوئیاں حوصلہ افزاء ہیں اور مالیاتی استحکام کی کوششوں کی وجہ سے سال 2025 کے لیے پاکستان کی اقتصادی ترقی کا تخمینہ 3.2 فیصد لگایا گیا ہے۔ تاہم ہم اپنے ملک کی صنعتی استحکام کو نظر انداز کرنے سے گریز کرنا چاہیے جو کہ روزگار فراہم کرتی ہے اور ساتھ ہی برآمدات کو بڑھانے کی صلاحیت بھی ہے۔

کارکردگی کا جائزہ

اختتام شدہ سال 31 دسمبر 2024 میں کمپنی کی مجموعی کارکردگی درج ذیل رہی:

ہدایتی	ہدایتی			
	(روپے '000 میں)			
2023 دسمبر 31	2024 دسمبر 31	2023 دسمبر 31	2024 دسمبر 31	
184,457	233,620	515,683	497,674	تحریری شدہ پر بیکم/اکٹری یوشن
88,922	104,065	314,859	269,732	خالص پر بیکم/اکٹری یوشن
3,861	(12,242)	(56,972)	(136,087)	بیسکاری کے نتائج
318	1,681	45,685	212,301	سرمایکاری آمدن/ (خسارہ)
11,347	(4,197)	16,277	74,225	منافع/ (خسارہ) قبل از ایکس
-	-	7,938	69,059	منافع/ (خسارہ) بعد از ایکس
		0.16	1.37	فی حصہ آمدن/ (خسارہ)

OUR COMMITMENT TO GENDER DIVERSITY AND PAY EQUITY

At Premier Insurance Limited, we foster a diverse, inclusive, and equitable workplace where individuals of all genders are valued, respected, and empowered to thrive. We believe gender diversity drives innovation, collaboration, and long-term success.

Our commitment extends to:

- Ensuring fair recruitment, promotion, and leadership opportunities
- Cultivating an environment supporting equal participation
- Addressing the Gender Pay Gap

We recognize pay inequities persist in many industries and are dedicated to eliminating disparities through transparent and equitable compensation practices. We actively review and refine policies to close gaps and uphold pay equity.

Gender Pay Gap Report:-

- Mean Gender Pay Gap:

Female employees' mean salary exceeds male employees' mean salary by 1%, reflecting our achievement of pay parity.

- Median Gender Pay Gap:

A 19.93% gender pay gap exists, where male employee median salary surpasses that of female employees. We're committed to improving representation of women in mid to senior positions.

Statement of compliance with the Code of Corporate Governance for Insurers, 2016 & Listed Companies (Code of Corporate Governance) Regulations, 2019 for the Year ended December 31, 2024

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (the code) for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of the code and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (COCG 2019).

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

1. The total number of directors are seven as per the following:
 - a. Male: 6
 - b. Female: 1
2. The Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present the Board includes:

Category	Name
Independent Directors	Mrs. Rukhsana Saleem Mr. Salman Rafi
Executive Directors	Mr. Sharik Bashir
Non-Executive Directors	Mr. Khalid Bashir (Chairman) Mr. Ahsan Bashir Mr. Imran Maqbool Mr. Attaullah A. Rasheed

The independent director meets the criteria of independence as laid down under the Code.

The fraction has not been rounded up to one as the Board believes and understands that two (2) independent directors are sufficient and have requisite competencies, skills, knowledge and experience to fulfill their obligations as per requirements of the applicable law and regulations.

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, excluding the listed subsidiary of a listed holding company, including this company.
4. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company. A DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
5. No casual vacancy occurred on the Board during the year 2024.
6. The Company has prepared a "Statement of Ethics and Business Practices" as Code of Conduct, has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
7. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained by the company.

8. All powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Regulations. These include material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers.
9. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded and circulated. The Board has complied with the requirement of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
10. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and CCG Regulations, 2019.
11. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
12. All the directors have been provided appropriate material/guidelines on the orientation course as such they are fully aware of their duties and responsibilities. Two of the directors are certified under Directors' training program while other meet the criteria of eligibility having 15 years of experience on the Board of listed companies and 14 years of education as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019.
13. During the year the existing Chief Financial Officer Mr. Amjad Bahadur Ali had resigned and in his place Mr. Farhan Ali Salim had been appointed as new Chief Financial Officer. There was no change in the position of Company Secretary and Head of Internal Audit during the year. The Board had approved the remuneration of Chief Financial Officer, Company Secretary and the Head of the Internal Audit Department.
14. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and CCG Regulations, 2019 and fully describes the salient matters required to be disclosed.
15. The Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before the approval of the Board.
16. The director, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
17. The Company has complied with all the corporate and financial reporting requirements of the Code.
18. The Board has formed the following Management Committees:

Underwriting Committee:

Name of Member	Category
Mr. Attaullah A. Rasheed	Chairman
Mr. M. K. Baig	Member
Mr. Ali Asgher Bhojani	Member
Mrs. Kiran Parveen	Secretary

Claim Settlement Committee:

Name of Member	Category
Mr. Imran Maqbool	Chairman
Mr. Nadeem Maqbool	Member
Mr. Ahsan Bashir	Member
Mr. Hassan Mustafa	Secretary

Reinsurance & Co-insurance Committee:

Name of Member	Category
Mr. Sharik Bashir	Chairman
Mr. Ali Asgher Bhojani	Member
Mr. Ali Muhammad	Secretary

Risk Management & Compliance Committee:

Name of Member	Category
Mr. Nadeem Maqbool	Chairman
Mr. Sharik Bashir	Member
Mr. Farhan Ali Salim	Member
Mrs. Niina Afridi	Secretary

19. The Board has formed the following Board Committees:

Ethic, Human Resource, Remuneration & Nomination Committee:

Name of Member	Category
Mr. Salman Rafi	Chairman
Mr. Sharik Bashir	Member
Mr. Nadeem Maqbool	Member
Mrs. Rukhsana Saleem	Member
Mrs. Niina Afridi	Secretary

Investment Committee:

Name of Member	Category
Mr. Ahsan Bashir	Chairman
Mr. Nadeem Maqbool	Member
Mr. Imran Maqbool	Member
Mr. Attaullah A. Rasheed	Member
Mr. Farhan Ali Salim	Secretary

20. The Board has formed an Audit Committee. It comprises of three (3) members of whom one (1) is an independent director and two (2) 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 Member	Category
Mrs. Rukhsana Saleem	Chairman
Mr. Imran Maqbool	Member
Mr. Ahsan Bashir	Member
Mr. Rao Ali Zeeshan	Secretary

21. The meetings of the Committees, except Ethics, Human Resource, Remuneration & Nomination were held at least once in a half year, Audit Committee meetings were held once in every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of references of the Committees have been formed and advised to the Committees for compliance.
22. The Board has set up an effective internal audit department which comprises of suitably qualified and experience staff for the purpose and are conversant with the policies and procedures of the company and are involved in the internal audit function on full time basis.
23. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. Moreover, 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 (2000):

Name of Person	Designation
Mr. Nadeem Maqbool	Chief Executive Officer
Mr. Farhan Ali Salim	Chief Financial Officer
Mr. Fariq M.K Rohilla	Company Secretary
Mr. Amir Hassan	Head of Marketing
Mrs. Niina Afzidi	Compliance Officer
Mr Ali Asgher Bhojani	Head of Operations
Mr. Rao Ali Zeeshan	Head of Internal Audit
Mrs. Kiran Parveen	Acting Head of Underwriting
Mr. Ali Muhammad	Acting Head of Reinsurance
Mr. Hasan Mustafa	Head of Claims

24. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
25. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, the Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard.

26. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
27. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code.
28. The Company has set up a risk management function, which carries out its tasks as covered under the Code.
29. The Board ensures that as part of the risk management system, the Company gets itself rated from PACRA which is being used by its risk management function and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency, on August 23, 2024 is "A".
30. The Company has not obtained any exemption from the Securities and Exchange Commission of Pakistan in respect of any requirement of the Code.
31. The Board has set up a grievance function, which fully complies with the requirements of the Code.
32. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the CCG 2019 and all material principles contained in the Code have been complied with.

By Order of the Board

Chairman

Chief Executive Officer

Karachi, Dated: March 26, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PREMIER INSURANCE LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016 AND LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance for Insurers, 2016 (the Code) and Listed Companies (Code of Corporate Governance) Regulation, 2019 (the Regulations) prepared by the Board of Directors of **Premier Insurance Limited** (the Company) for the year ended December 31, 2024 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision lxxvi of the Code of Corporate Governance for Insurers, 2016.

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

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

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

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

KARACHI

DATED: March 28, 2025

UDIN: CR202410067qZN955oTA



CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREMIER INSURANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of PREMIER INSURANCE LIMITED (the Company), which comprise the statement of financial position as at December 31, 2024 and the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit, its other comprehensive income, the changes in equity and the cash flow 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 Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	<p>Revenue Recognition - Premium Earned</p> <p>Refer notes 4.25 and 26 to the financial statements for accounting policies and details in respect of revenue recognition. The Company recognizes premium earned from insurance policies representing 97% of gross premium written.</p> <p>We identified revenue recognition - premium earned as a key audit matter because it is a key performance indicators of the Company and possess risk that transactions may not be accurately recorded, recognized in the appropriate period and not properly disclosed in the financial statements</p>	<p>Our audit procedures to address this matter included the following:</p> <ul style="list-style-type: none"> Obtained an understanding, including the design and implementation of internal controls over process of capturing, processing in and recording of premium earned. Assessed the appropriateness of the Company's accounting policies for recording of premiums in line with the requirements of applicable laws, accounting and reporting standards. On sample basis, tested the policies that were written close to the year-end and subsequent to the year-end, and evaluated that these were recorded in the appropriate accounting period. On sample basis, tested the premium recorded to ensure accuracy from the underlying policies issued to insurance contract holders. Recalculated the unearned portion of premium and ensured that appropriate amount has been recorded as provision for unearned premium in liabilities. Evaluated that adequate disclosures have been made for premium as the applicable laws and accounting and reporting standards.

S. No	Key audit matters	How the matter was addressed in our audit
2.	<p>Outstanding claims including claims incurred but not reported (IBNR)</p> <p>Refer note 4.20 and 27 to the financial statements for accounting policy and details in respect of claim liabilities.</p> <p>The Company's claim liabilities represent approximately 26% of the Company's total liabilities. Valuation of these liabilities involves significant judgment because it requires a number of assumptions to be made with high estimation uncertainty such as loss ratios, trend of historical claims and estimates of the frequency and severity of claims. Claim liabilities are recognized on intimation of the insured event based on management judgment and estimate.</p> <p>The Company maintains provision for IBNR claims based on the advice of an independent actuary. The actuarial valuation process involves significant judgment and the use of actuarial assumptions.</p> <p>Based on the above factors, we have considered it as a key audit matter.</p>	<p>Our audit procedures to address this matter included the following:</p> <ul style="list-style-type: none"> Obtained an understanding of the Company's policies and procedures including the design and implementation of internal controls over the capturing, processing and recording of information related to claims. Assessed the appropriateness of the Company's accounting policy for recording of claims in line with the requirements of applicable laws and accounting and reporting standards. On sample basis, performed test of details and test of controls to evaluate whether the claims settled during the year end and outstanding at the year-end are appropriately recorded in accordance with the requirements of company's policies and insurance regulations. Assessed the competence, capability and objectivity of the actuary involved by the company to value IBNR reserves for claims. Reviewed the valuation report of management actuary to: <ul style="list-style-type: none"> Understand the basis and methodology used for such valuation. Evaluate the completeness and accuracy of source data used for the purpose of valuation.

S. No	Key audit matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> Evaluated the adequacy of disclosures given on outstanding claims including IBNR as per the insurance regulations and applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

KARACHI



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

DATED: 28-Mar-2025

UDIN: AR202410067fVjZsmqdG

STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
ASSETS			
Property and equipment	7	206,511	196,594
Intangible assets	8	380	543
Investment properties	9	346,939	346,758
Investments			
- Equity securities	10	878,300	618,023
- Mutual funds	10	62,444	83,542
Investment in associate	11	312,221	259,222
Loans and other receivables	12	80,650	24,852
Insurance / reinsurance receivables	13	470,602	477,430
Reinsurance recoveries against outstanding claims	27	207,465	276,075
Salvage recoveries accrued		4,075	1,397
Deferred commission expense	28	18,707	21,517
Taxation - provision less payment		23,972	19,478
Deferred tax asset	14	51,803	50,746
Prepayments	15	120,027	81,282
Cash and bank	16	54,457	39,063
Total assets of Window Takaful Operations - Operator's Fund	17	2,838,553	2,496,522
TOTAL ASSETS		167,117	119,339
		3,005,670	2,615,861
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	18	505,650	505,650
Reserves	19	1,633,291	1,450,085
Accumulated losses		(939,890)	(1,008,339)
TOTAL EQUITY		1,199,051	947,396
LIABILITIES			
Underwriting provisions			
Outstanding claims including IBNR	27	490,710	607,489
Unearned premium reserves	26	284,803	273,246
Unearned reinsurance commission	28	26,133	12,738
Retirement benefit obligations	20	5,975	6,935
Liabilities under diminishing musharka	21	6,411	-
Lease liabilities	22	5,285	3,954
Insurance / reinsurance payables	23	667,741	469,773
Other creditors and accruals	24	233,908	225,724
Unclaimed dividend		22,423	22,443
TOTAL LIABILITIES		1,743,389	1,622,302
Total liabilities of Window Takaful Operations - Operator's Fund	17	63,229	46,163
TOTAL EQUITY AND LIABILITIES		3,005,670	2,615,861
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Executive Officer Chairman Director Director Chief Financial Officer

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2024

	Note	2024	2023
		----- Rupees in '000 -----	
		Restated	
Net insurance premium	26	269,732	314,859
Net insurance claims	27	(154,777)	(145,465)
Net commission expense and other acquisition costs	28	(16,069)	(22,658)
Premium deficiency		-	3,059
Insurance claims and acquisition expenses		(170,846)	(165,064)
Management expenses	29	(234,973)	(206,768)
Underwriting results		(136,087)	(56,973)
Investment income	30	212,301	45,685
Rental income		4,410	4,839
Fair value (loss) / gain on investment property	9	(4,135)	25,441
Other income	31	18,316	7,895
Other expenses	32	(7,283)	(6,746)
Results of operating activities		87,522	20,141
Finance costs - lease liability	33	(1,439)	(626)
Share of profit from associate	11	14,234	11,172
Total profit from operations		100,317	30,687
Loss from Window Takaful Operations - Operator's Fund	17	(26,092)	(14,410)
Profit before income tax and levy		74,225	16,277
Levy-minimum tax differential	34	(6,222)	(8,752)
Profit before income tax		68,003	7,525
Income tax	35	1,056	413
Profit after income tax		69,059	7,938
Earning per share - basic and diluted	36	1.37	0.16

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
Profit after income tax		69,059	7,938
Other comprehensive income:			
Items that will not be reclassified subsequently to profit and loss account:			
Re-measurement of defined benefit obligations - net of tax		(610)	960
Items that may be reclassified subsequently to profit and loss account:			
Unrealized gain on available for sale investments - net of tax	41	140,441	81,472
Share in other comprehensive income of associate - net of tax		42,765	1,613
Other comprehensive income for the year		182,596	84,045
Total comprehensive income for the year		251,655	91,983

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

	Share capital		Reserves							Total reserves	Total equity		
	Issued, subscribed and paid-up	Capital reserves			Revenue reserves								
		Reserve for exceptional losses	Devaluation reserve	Revaluation Reserve - Property and Equipment	Available for sale investments of the Associate	Available for sale investments of the Company	General reserve	Accumulated losses					
----- Rupees in '000 -----													
Balance as at January 01, 2023	505,650	19,490	185	35,859	138,715	175,900	996,851	(1,017,237)	349,763	855,413			
Total comprehensive income for the year													
Profit after tax for the year	-	-	-	-	-	-	-	7,938	7,938	7,938			
Other comprehensive income													
Remeasurement of defined benefits obligation	-	-	-	-	-	-	-	960	960	960			
Unrealised gain on available for sale investments	-	-	-	-	81,472	-	-	-	81,472	81,472			
Share in other comprehensive income of associate	-	-	-	-	-	1,613	-	-	1,613	1,613			
Total comprehensive income for the year	-	-	-	-	81,472	1,613	-	8,898	91,983	91,983			
Balance as at December 31, 2023	<u>505,650</u>	<u>19,490</u>	<u>185</u>	<u>35,859</u>	<u>220,187</u>	<u>177,513</u>	<u>996,851</u>	<u>(1,008,339)</u>	<u>441,746</u>	<u>947,396</u>			
Balance as at January 01, 2024	505,650	19,490	185	35,859	220,187	177,513	996,851	(1,008,339)	441,746	947,396			
Total comprehensive income for the year													
Profit after tax for the year	-	-	-	-	-	-	-	69,059	69,059	69,059			
Other comprehensive income								(610)	(610)	(610)			
Remeasurement of defined benefits obligation	-	-	-	-	140,441	-	-	-	140,441	140,441			
Unrealised gain on available for sale investments	-	-	-	-	-	42,765	-	-	42,765	42,765			
Share in other comprehensive income of associate	-	-	-	-	-	-	-	-	-	-			
Total comprehensive income for the year	-	-	-	-	140,441	42,765	-	68,449	251,655	251,655			
Balance as at December 31, 2024	<u>505,650</u>	<u>19,490</u>	<u>185</u>	<u>35,859</u>	<u>360,628</u>	<u>220,278</u>	<u>996,851</u>	<u>(939,890)</u>	<u>693,401</u>	<u>1,199,051</u>			

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
Operating activities			
a) Underwriting activities			
Insurance premium received		440,509	591,761
Reinsurance premium paid		(59,826)	(147,787)
Claims paid		(296,412)	(638,066)
Reinsurance and other recoveries received		54,653	403,103
Commission paid		(44,473)	(71,636)
Commission received		48,497	28,685
Other acquisition costs paid		(16,227)	(15,599)
Management expenses paid		(207,723)	(207,421)
Net cash used in underwriting activities		(81,002)	(56,960)
b) Other operating activities			
Income tax paid		(3,438)	(8,546)
Other operating receipts		87	(142)
Loans advanced, deposits (paid) / received		(55,986)	(425)
Other liabilities reversed / (paid)		23,408	18,671
Total cash (used in) / generated from other operating activities		(35,929)	9,558
Total cash used in all operating activities		(116,931)	(47,402)
Investment activities			
Profit / return received		214,491	35,647
Rental received		4,410	4,839
Payment for investments made		(441,134)	(8,746)
Proceeds from investments disposed		342,396	1,681
Fixed capital expenditure incurred		(1,775)	(609)
Proceeds from sale of property and equipment		12,689	2,959
Total cash generated from investing activities		131,077	35,771
Financing activities			
Finance cost paid		(1,439)	(626)
Dividend paid		(20)	(303)
Payment of lease liability		2,707	(2,106)
Total cash used in financing activities		1,248	(3,035)
Net cash generated from / (used in) all activities		15,394	(14,666)
Cash and cash equivalents at beginning of the year		39,063	53,729
Cash and cash equivalents at end of the year	16	54,457	39,063

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
Reconciliation to profit and loss account			
Operating cashflows		(116,931)	(47,402)
Depreciation and amortization expense	29	(6,885)	(6,791)
Finance costs		(1,439)	(626)
Gain on sale of operating fixed assets	31	11,327	2,139
Net realized gain on investments	30	154,962	2,640
Rental income		4,410	4,839
Dividend income	30	59,596	43,784
Other income	31	4,707	4,655
Share of profit from associate		14,234	11,172
Loss from Window Takaful Operations - Operator's Fund	17	(26,092)	(14,410)
Decrease / (increase) in assets other than cash		96,392	(340,287)
(Decrease) / increase in liabilities other than borrowings		(121,087)	322,784
(Loss) / gain on revaluation of investment property		(4,135)	25,441
Profit after taxation		69,059	7,938

Definition of cash and cash equivalent

Cash and cash equivalent comprises cash in hand, stamps in hand, current and saving accounts and short-term deposits having maturing 3 months from the date of acquisition.

Cash for the purpose of the statement of cash flows consists of:

Cash and other equivalent	292	224
Stamps in hand		
Current and other accounts		
Current accounts	5,701	18,222
PLS account	48,464	20,617
	54,165	38,839
Total cash and cash equivalent	54,457	39,063

The annexed notes from 1 to 49 form an integral part of these financial statements.

Chief Executive Officer Chairman Director Director Chief Financial Officer

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

Premier Insurance Limited (the Company) was incorporated as a public limited Company in Pakistan in May 1952 and is engaged in general insurance business. The shares of the Company are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 5th Floor, State Life Building No. 2A, Wallace Road, Off. I.I. Chundrigar Road, Karachi. The Company has been allowed to work as Window Takaful Operator since October 02, 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan.

Following are the geographical location and address of all the business units of the Company:

Head office - Registered Office

5th Floor, State Life Building 2-A, Wallace Road, Off. I.I. Chundrigar Road, Karachi, Province of Sindh, Pakistan.

Branches

i) Province of Punjab, Pakistan:

- Zonal office, 162 Shadman II, Lahore
- CSD North, 162 Shadman II, Lahore
- Mall Branch, 23 Shahrah-e-Quaid-e-Azam, Lahore
- 4th Floor, Mehr Fatima Tower, Opp. High Court, Old Bahawalpur Road, Multan
- 1st Floor, Regency Arcade, 949-Mall Road, Faisalabad
- Block - L, Trust Plaza, G.T Road, Gujranwala

ii) Province of Sindh, Pakistan:

- CSD South Karachi, 5th Floor State Life Building 2-A, Wallace Road, Off. I.I. Chundrigar Road, Karachi
- Clifton Branch, 5th Floor State Life Building 2-A, Wallace Road, Off. I.I. Chundrigar Road, Karachi

iii) Province of Khyber Pakhtunkhwa, Pakistan:

- 1081/A, Rehman Building, Saddar Road, Peshawar

iv) Province of Baluchistan, Pakistan:

- 43-Regal Plaza, 2nd Floor, Circular Road, Quetta

v) Islamabad Capital Territory

- 64-E 2nd Floor, Masco Plaza, Jinnah Avenue, Blue Area, Islamabad.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) as notified under 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 Regulations, 2019.

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

2.1.2 The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 89(1)/2017 dated February 09, 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.

2.1.3 In terms of the requirements of the Takaful Rules 2012, read with SECP Circular 25 of 2015 dated 09 July 2015, the assets, liabilities and profit and loss of the Operator's Fund of the Window Takaful Operations (WTO) of the Company have been presented as a single line item in the balance sheet and profit and loss account of the Company respectively.

A separate set of financial statements of the Window Takaful operations has been annexed to these financial statements as per the requirements of the Takaful Rules 2012 & General Takaful Accounting Regulations, 2019.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for otherwise stated.

2.3 Functional and presentation currency

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2024

3.1.1 The following standards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.1.2 The Institute of Chartered Accountants of Pakistan has issued IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes and defined two approaches for bifurcation of tax between current and minimum taxes. The Company has adopted an approach to account for current tax calculated on taxable income using the notified tax rate as an income tax and minimum tax any amount over the current tax calculated on taxable income is accounted for as excess over the current tax and is recognised as a levy as per IFRIC 21 / IAS37.

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

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2025
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
Certain annual improvements have also been made to a number of IFRSs and IASs.	
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property and equipment

4.1.1 Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to profit and loss account by applying the reducing balance method from the date of addition in the month in which asset is acquired upto the date of and excluding the month in which the asset is disposed off.

Rates of depreciation:

- Computer equipment	30%
- Office equipment, furniture and fixtures	10%
- Motor vehicles	20%

Buildings are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to profit and loss account by applying the straight line method from the availability of assets to the date of disposal.

Rates of depreciation:

- Buildings	5%
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Normal repairs and maintenance are charged to profit and loss account as and when incurred; major renewals and replacements are capitalized if they meet the capitalization criteria as per policy.

Gain or loss on disposal of operating fixed assets is taken to profit and loss account.

4.1.2 Capital work in progress

Capital work in progress is stated at cost less impairment, if any. The cost consists of expenditures incurred including borrowing costs, if any, and advances made in respect of tangible assets in the course of their acquisition, construction and installation. Transfers are made to relevant assets category as and when assets are available for intended use.

4.2 Intangible assets

These are stated at cost less accumulated amortization and impairment, if any. Amortization is charged to profit and loss account by applying the reducing balance method from the dates of available for use till date of disposal.

Rate of amortization used is 30%.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4.3 Investment properties

Investment property is measured at purchase cost on initial recognition including directly attributable to the acquisition of the investment property and subsequently at fair value with any change therein recognized in profit and loss account. The fair value is assessed by the involvement of an individual qualified valuation expert at the end of each reporting date. Subsequently cost is included in the carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to profit and loss account.

4.4 Investments

4.4.1 Classification and Recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs except for 'investments at fair value through profit and loss - held-for-trading' investments in which case the transaction costs are charged to the profit and loss account.

4.4.2 Measurement

All purchase and sale of investments that require delivery within the required time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Company commits to purchase or sell the investments. Investments are recognized and classified as follows:

4.4.2.1 Held-for-trading

Quoted investments which are acquired principally for the purpose of generating profit from short-term fluctuations in price or are part of the portfolio in which there is a recent actual pattern of short-term profit taking are classified as held-for-trading.

Subsequent to initial recognition these are re-measured at fair value by reference to quoted market prices with the resulting gain or loss being included in profit and loss of the period in which it arises.

4.4.2.2 Held-to-maturity

Investments with fixed maturity, where the management has both the intent and the ability to hold to maturity, are classified as held-to-maturity.

Subsequently, these are measured at amortized cost. Premium paid or discount availed on the acquisition of held-to-maturity investment is deferred and amortized over the term of investment using the effective yield method.

Profit on held-to-maturity instruments is recognized on a time proportion basis taking into account the effective yield on the investments.

These are reviewed for impairment at each reporting period and losses arising, if any, are charged to the profit and loss account of the period in which they arise.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4.4.2.3 Available-for-sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity, changes in interest rates or equity prices are classified as available-for-sale. These are valued as follows:

Quoted

Subsequent to initial recognition at cost, quoted investments are stated at the market value. The Company uses Stock Exchange quotations at the reporting date to determine the market value of listed shares. Furthermore, market value of open-ended mutual funds is determined by using MUFAP rates at the date of reporting.

Unquoted

Unquoted investments are recorded at cost less impairment (if any) in accordance with the above requirement.

4.4.2.4 Recognition / de-recognition of investments

Investments are recognized / derecognized by the Company on the date it commits to purchase / sell the investments.

4.4.2.5 Impairment in investments

Impairment is recognized based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investments classified as available-for-sale below its cost is also considered an objective evidence of impairment. Impairment losses are reversed when there is an indication that impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

4.5 Investment in Associates - Equity method

Investments in associates, where the Company has significant influence but not control, are accounted for by using the equity method of accounting. These investments are initially recognized at cost and the carrying amount is adjusted to recognize the investor's share of the profit and loss, distribution received and change in the comprehensive income and equity of the investee at the end of each reporting period.

The carrying amount of investments in associates is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments is estimated which is higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount and is charged to the profit and loss account. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of carrying amount that would have been determined if no impairment loss had been recognized. A reversal of impairment loss is recognized in the profit and loss account.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4.6 Financial Instruments

Financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are initially measured at cost which is the fair value of the consideration given and received respectively including transaction cost. These financial assets and liabilities are subsequently measured at fair value or cost, as the case maybe. Any gains or losses on de-recognition of financial assets and financial liabilities are taken to the profit and loss account.

4.7 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such an evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of the value in use and fair value less cost to sell. Impairment losses are recognized in the statement of profit or loss.

4.8 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 expire.

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

Fire and property damage

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. These contracts are generally one year contracts except some contracts that are of three months period.

Marine, aviation and transport

Marine Insurance covers the loss or damage of vessels, cargo, terminals, and any transport or property by which cargo is transferred, acquired, or held between the points of origin and final destination. These contracts are generally for three months period.

Motor

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. These contracts are generally one year contracts.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Accident and health

Accident and health insurance contract mainly compensates hospitalization and out-patient medical coverage to the insured. These contracts are generally one year contracts.

Miscellaneous

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. These contracts are normally one year insurance contracts except some engineering insurance contracts that are of more than one year period, whereas, normally travel insurance contracts expire within two months time.

These insurance 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.

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. All reinsurance inward contracts are facultative (specific risk) acceptance contracts.

4.9 Deferred commission expense / Acquisition cost

Commission expense incurred in obtaining and recording policies is deferred and recognized as an expense in accordance with pattern of recognition of premium revenue by applying the one by twenty four method.

4.10 Re-insurance contracts held

The Company enters into re-insurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward re-insurance premium is accounted for in the same period as the related premium for the direct or accepted re-insurance business being re-insured.

Re-insurance liabilities represent balances due to re-insurance companies. Amounts payable are estimated in a manner consistent with the related re-insurance contract. Re-insurance assets represent balances due from re-insurance companies. Amounts recoverable from re-insurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the re-insurance policies and are in accordance with the related re-insurance contracts.

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4.11 Reinsurance recoveries against outstanding claims

Claims recoveries receivable from 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.

4.12 Receivables and payables related to insurance contracts

Receivables and payables relating to insurance contracts are recognized when due. These include premium due but unpaid and claims payable to insurance contract holders.

The company maintains general provision as per the approved policy of board. In addition, if there is objective evidence that any premium due but unpaid is impaired, the Company reduces the carrying amount of that insurance receivable and recognizes the loss in profit and loss account.

4.13 Prepayments

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

4.14 Loans and other receivables

Loan advances and other receivable are paid and recorded as per the approval of delegation of financials powers. Which are subsequently accounted for after the recovery of amount or services against which the payments were made.

4.15 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, stamps in hand, current and savings accounts and short term deposits with maturity of 3 months or less from date of acquisition.

4.16 Share Capital and reserves

Ordinary shares are classified as equity and are recorded at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Appropriation to reserves are recognized in the financial statements in the period in which these are approved.

4.17 Unearned premium reserve

The provision for unearned portion of premiums is calculated by applying one by twenty fourths' method, except Marine Insurance for which unearned premium is calculated by applying one by six method as prescribed by Insurance Accounting Regulations, 2017.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4.18 Premium deficiency reserve

The Company is required as per insurance rules 2017 and IFRS 4 to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense and commission and other underwriting expenses, expected to be incurred after the balance sheet date in respect of unexpired policies in that class of business at the balance sheet date. The charge for premium deficiency reserve is recorded in the profit and loss account.

The Company determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired periods. 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. Further, actuarial valuation has been carried out to determine amount of premium deficiency reserve in respect of health insurance.

Provision has been reversed for Health business as the unearned premium reserve for the 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.

4.19 Claim

General insurance claims include all claims occurring during the year, whether reported or not, including external claims handling costs that are directly related to the processing and settlement of claims, reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Salvage values are recorded based on surveyor reports on accrual basis at the occurrence of claims.

4.20 Provision for outstanding claims including Incurred But Not Reported (IBNR)

Provision for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Outstanding claims

The amount of claims that have been reported and are yet unpaid or partially unpaid at the end of reporting year for a given accident year.

A liability for outstanding claims (claim incurred) is recognized for all claims incurred which represents the estimates of the claims intimated or assessed before the end of the reporting period and measured at the undiscounted value of expected future payments. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates while taking into consideration the past claims settlement experience including handling costs and the Company's reserving policy. Where applicable, deductions are made for salvage and their recoveries.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Reinsurance recoveries against outstanding claims and salvage recoveries are recognized as an asset and measured at the amount expected to be received.

Incurred But Not Reported (IBNR) Claims

The losses that have incurred or are in the occurrence period at the end of reporting year and have not been intimated to the Company by that end of reporting year, or if reported, complete details are not available to the Company, so as to ascertain the amount of loss for that claim as claims outstanding.

The Company is required, as per SECP circular no. 9 of 2016 dated March 09, 2016 “Guidelines for Estimation of Incurred but not reported claims reserve, 2016” to estimate and maintain the provision for claims incurred but not reported for each class of business by using prescribed Method “Chain Ladder Method” and other alternate method as allowed under the provisions of the Guidelines. The actuarial valuation as at December 31, 2023 and December 31, 2024 has been carried out by independent firm of actuaries for determination of IBNR for each class of business.

4.21 Staff retirement benefits

The main features of the schemes operated by the Company for its employees are as follows:

4.21.1 Employees' compensated absences

Compensated absences are accounted for in the year in which the absences are earned based on actuarial valuation and are paid when the employee leaves.

4.21.2 Defined contribution plan

There is an approved contributory provident fund for all permanent employees and is administered by trustees. Equal monthly contributions are made by the company and employees to the fund, at the rate of 10% of basic salary. The Company has no further payment obligations once the contributions have been paid. Obligation for contributions to defined contribution plan is recognized as an expense in the profit and loss account as and when incurred.

4.21.3 Defined benefit plan

The company is operating an unfunded gratuity scheme for its permanent employees subject to completion of prescribed qualifying period of service under the scheme.

The latest actuarial evaluation was carried out as at December 31, 2024. The liability / asset recognized in the balance sheet is the present value of defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

The Company determines the net interest expense (income) on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/asset, taking into account any changes in the net defined benefit liability/asset during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognized in profit and loss account and actuarial gains / loss are recognized in other comprehensive income as they occur and are not reclassified to profit or loss in subsequent periods.

4.22 **Leases and right of use assets**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms subject to rental agreement between the parties to the contract. The Company applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

4.23 Other creditors and accruals

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 goods and 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, 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.

4.24 Contingencies

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

4.25 Revenue recognition

a) Premium / Underwriting result

Premium written, including administrative surcharge, under a policy is recognized from the date of issuance of the policy to which it relates. Premium on facultative reinsurance accepted is reflected in the financial statements along with direct premium.

The earned premium less reinsurance, claims, commission and allocable expenses of management are reflected in the profit and loss account as the underwriting result.

b) Commission income

Commission income from other insurers / re-insurers is deferred and recognized as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit commission, if any under the terms of reinsurance arrangement is recognized when the company's right to receive the same are established.

c) Investment income

Gain / loss on disposal of investments is taken to the profit and loss account on transaction date.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

d) Dividend income

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

e) Return on bank accounts

Return on bank accounts are accounted for on accrual basis.

f) Rental Income

Rental income from investment properties are recognized on accrual basis of accounting.

4.26 Income tax and levy

4.26.1 Income tax

a) Current

Provision for taxation is based on taxable income at the current rates of tax after taking into account applicable tax credits, rebates and exemptions available, if any.

b) Deferred

Provision for deferred tax is made using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

4.26.2 Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements, except for taxes on dividends on the Company's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence these continue to be categorized as current income tax.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4.27 Offsetting of financial assets and liabilities

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

4.28 Earnings per share

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

4.29 Zakat

Zakat deductible compulsorily under the Zakat and Ushr Ordinance, 1980 is accounted for in the year of deduction.

4.30 Dividend distribution

Dividend distributions (including stock dividend) are recognized as a liability in the period in which the dividends are approved.

4.31 Management expenses

Management expenses note is prepared in accordance with the requirements of Insurance Rules, 2017. The Company adopts accrual basis of accounting for its expense recognition. All expenses of management have been allocated between conventional and window takaful operators fund on the basis of premium and contribution underwritten.

4.32 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company presents segments reporting of operating results using the classes of business as specified under the Insurance Accounting Regulations, 2017. The reported operating segments are also consistent with the internal reporting process of the Company 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. All the Company's business segments operate in Pakistan only.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Based on its classification of insurance contracts issued, the Company has five primary business segments for reporting purposes namely fire, marine, motor, accident and health and miscellaneous. The nature and business activities of these segments are disclosed in note 3.4.

Assets, liabilities and capital expenditure, that are directly attributable to segments have been assigned to them. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

4.33 Change in accounting policy

Previously, sum of current tax expense calculated as per applicable tax laws, prior year tax expense and deferred tax was recorded as income tax expense.

During the year, the Institute of Chartered Accountant of Pakistan has issued the guidance for accounting of minimum and final taxes through circular No. 7/2024 dated May 15, 2024 and defined following two approaches:

Approach 1: Designate the amount calculated as tax on gross amount of revenue or other basis as a levy within the scope of IFRIC 21/IAS 37 and recognize it as an operating expense. Any excess over the amount designated as a levy is then recognized as current income tax expense falling under the scope of IAS 12.

Approach 2: Designate the amount of tax calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

During the year ended December 31, 2024, the Company has revised its accounting policy. This change in accounting policy has been accounted for retrospectively as referred under International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The Company has adopted approach 2 for recording levy which is calculated as tax on gross amount of revenue. The change has been applied retrospectively resulting in reclassification in the profit and loss account as stated below. The change does not have any material impact on the statement of financial position, statement of comprehensive income and the statement of changes in equity.

For the year ended December 31, 2023		
As previously reported	Restatement	As restated
----- (Rupees in thousands) -----		

Effect on profit and loss account

Minimum tax differential	-	8,752	8,752
Profit before income tax	16,277	-	16,277
Profit after income tax	7,938	(8,752)	(814)

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

- 5.1** The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements For the year ended December 31, 2023.

The preparation of financial statements in conformity with approved accounting standards requires management to use certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continuously evaluated and are based on historical experience and expectation of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. The areas where required assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- a. Provision for outstanding claims including claims incurred but not reported - note 4.20
- b. Provision for premium deficiency reserves - note 4.18
- c. Reinsurance recoveries against outstanding claims - note 4.11
- d. Provision against premium due but unpaid - note 4.12
- e. Useful life of depreciable / amortizable assets - notes 4.1 & 4.2
- f. Impairment of assets - notes 4.7 & 4.4.2.5
- g. Staff retirement benefits - note 4.21
- h. Provision for current & deferred taxes - note 4.26
- i. Fair valuation of investment properties - note 4.3
- j. Salvage recoveries - note 4.19
- k. Lease terms and discount rates - note 4.22
- l. Contingencies - note 4.24

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

6 DISCLOSURES RELATED TO TEMPORARY EXEMPTION FROM IFRS 9

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement consideration for the time value of money and credit risk are typically the most significant elements of interest. IFRS 9 defines the terms principal as being the fair value of the financial asset at initial recognition and the interest as being compensation for (i) the time value of money and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The debt instruments accounted for fair value through other comprehensive income under IAS 39 are potentially eligible to SPPI test whereas it is not applicable for the debt instruments accounted for fair value through profit or loss.

The tables below set out the fair values on gross basis 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
- b) all other financial assets.

	December 31, 2024				
	Fail the SPPI Test		Pass the SPPI Test		
	Fair value	Change in unrealized gain or (loss) during the year	Carrying Value	Cost less impairment	Change in unrealized gain or (loss) during the year
----- Rupees in '000 -----					
Financial assets					
Investment in associate	312,221	-	-	-	-
Investments					
- Equity securities - available for sale	532,848	345,452	-	-	-
- Mutual funds - available for sale	47,268	15,176	-	-	-
Loan and other receivables*	18,179	-	18,179	-	-
Cash and bank	54,457	-	54,457	-	-
TOTAL	964,973	360,628	72,636	-	-

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
7. PROPERTY AND EQUIPMENT			
Operating fixed assets	7.1	176,150	167,456
Capital work-in-progress	7.2	26,109	26,109
Right of use assets	7.3	4,252	3,029
		206,511	196,594

7.1 Operating fixed assets

Particulars	2024							
	Cost			Accumulated Depreciation				
	As at January 01, 2024	Additions / (Disposals)	As at December 31, 2024	As at January 01, 2024	Depreciation for the year / (disposals)	As at December 31, 2024	Written down value as at December 31, 2024	Depreciation Rate
----- Rupees in '000 -----								
Land (7.1.1)	140,450	-	140,450	-	-	-	140,450	-
Building	21,551	-	21,551	15,007	1,007	16,014	5,537	5
Computer equipment	13,551	994 (680)	13,865	11,647	680 (568)	11,759	2,106	30
Office equipment	8,262	781 (59)	8,984	4,708	377 (46)	5,039	3,945	10
Furniture and fixtures	23,269	- (202)	23,067	17,874	538 (171)	18,241	4,826	10
Vehicles	60,891	- (9,499)	51,392	51,282	1,801 (8,294)	44,789	6,603	20
	267,974	1,775 (10,440)	259,309	100,518	4,403 (9,079)	95,842	163,467	
Vehicles under diminishing musharka	-	13,729	13,729	-	1,046	1,046	12,683	20
	267,974	15,504 (10,440)	273,038	100,518	5,449 (9,079)	96,888	176,150	

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Particulars	2023								
	Cost			Accumulated Depreciation					
	As at January 01, 2023	Additions / (Disposals)	As at December 31, 2023	As at January 01, 2023	Depreciation for the year / (disposals)	As at December 31, 2023	Written down value as at December 31, 2023	Depreciation Rate	%
Rupees in '000									
Land (7.1.1)	140,450	-	140,450	-	-	-	140,450	-	-
Building	21,551	-	21,551	14,003	1,004	15,007	6,544	5	
Computer equipment	14,476	134 (1,059)	13,551	11,772	866 (991)	11,647	1,904	30	
Office equipment	8,025	478 (241)	8,262	4,457	369 (118)	4,708	3,554	10	
Furniture and fixtures	25,000	- (1,731)	23,269	18,542	609 (1,277)	17,874	5,395	10	
Vehicles	62,685	- (1,794)	60,891	50,489	2,412 (1,619)	51,282	9,609	20	
	272,187	612 (4,825)	267,974	99,263	5,260 (4,005)	100,518	167,456		

7.1.1 The land is located at 162 Shadman Colony, Lahore.

7.1.2 The details of operating fixed assets, having net book value in aggregate amounting to Rs.50,000 and above sold / disposed off during the year are as follows:

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / Loss	Mode of Disposal	Purchaser	Location
Rupees in '000								
Honda Civic - BCC-093	2,449	2,187	262	3,150	2,888	Tender	Mr. Afzal-ur-Rehman	Karachi
Toyota Corolla LEA-1997	850	714	136	1,750	1,614	Tender	Mr. Muhammad Sarim	Karachi
Toyota Fortuner - BF-8544	5,106	4,325	780	6,300	5,520	Tender	Mr. Raheel Iqbal	Karachi
Dry Batteries	680	568	112	210	98	Tender	M/s. A.H. Power System	Karachi
	9,084	7,794	1,290	11,410	10,120			

7.1.3 There are no assets held by third parties or assets with zero values.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
7.2 Capital work-in-progress		26,109	26,109
Property acquisition and renovation costs			
7.3 Right-of-use assets			
The Company has recognized right-of-use assets in respect of the following leases:			
As at January 01		3,029	6,171
Reassessment during the year	7.3.1	2,496	-
Termination during the year		-	(1,843)
Depreciation expense		5,525	4,328
As at December 31		(1,273)	(1,299)
Depreciation rate (in years)		4,252	3,029
		3 - 4	3 - 4

7.3.1 This relates to reassessment in respect of rentals in lease agreements.

8. INTANGIBLE ASSETS

Particulars	2024							
	Cost			Accumulated Amortization				
	As at January 01, 2024	Additions	As at December 31, 2024	As at January 01, 2024	Amortization for the year	As at December 31, 2024	Written down value as at December 31, 2024	Amortization Rate
----- Rupees in '000 -----								
Software	13,866	-	13,866	13,323	163	13,486	380	30

Particulars	2023							
	Cost			Accumulated Amortization				
	As at January 01, 2023	Additions	As at December 31, 2023	As at January 01, 2023	Amortization for the year	As at December 31, 2023	Written down value as at December 31, 2023	Amortization Rate
----- Rupees in '000 -----								
Software	13,866	-	13,866	13,090	233	13,323	543	30

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
9. INVESTMENT PROPERTY			
Carrying amount as at January 1		346,758	321,317
Additions / capital improvements		4,316	-
Unrealized fair value (loss) / gain		(4,135)	25,441
Carrying amount as at December 31	9.1	346,939	346,758

9.1 Investment properties consists of the following:

Particulars	Location	Covered Area (Sq. ft)	Fair value as at December 31, 2023	Capital Improvements	Fair value as at December 31, 2024	Fair value gain / (loss) for the year
						----- Rupees in '000 -----
Bungalow, Aga Khan Road	Islamabad	8,793	285,268	4,316	285,711	(3,873)
Office, Clifton	Karachi	1,012	20,240	-	19,228	(1,012)
Apartment, Silver Oaks	Islamabad	1,500	41,250	-	42,000	750
			346,758	4,316	346,939	(4,135)

9.2 The fair value of the investment properties was determined by an independent valuer M/s Hamid Mukhtar & Company (Private) Limited and M/s Pakistan Inspection Company (Private) Limited. Both the valuers are having appropriate recognized professional qualifications, are on the panel of A rated professional valuers and recent experience in the location and category of the property being valued.

10. INVESTMENTS

Particulars	2024				2023			
	Cost	Impairment / provision for the year	Unrealised gain during the year	Carrying value	Cost	Impairment / provision for the year	Unrealised gain during the year	Carrying value
----- Rupees in '000 -----								
Available-for-sale								
At fair value								
Related parties								
Listed shares	187,816	-	102,124	289,940	187,816	-	76,886	264,702
Other than related parties								
Listed shares	343,549	-	243,328	586,877	230,555	-	121,283	351,838
At cost								
Other than related parties								
Unlisted shares	1,483	-	-	1,483	1,483	-	-	1,483
Investment in equity securities	532,848	-	345,452	878,300	419,854	-	198,169	618,023
Investment in mutual funds *	47,268	-	15,176	62,444	61,524	-	22,018	83,542

* Investments in Mutual funds includes units placed as statutory deposit with State Bank of Pakistan in compliance of section 29 of Insurance Ordinance, 2000.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023	
		----- Rupees in '000 -----		
11. INVESTMENT IN ASSOCIATE				
As at January 01		259,222	248,437	
Share of profit		14,234	11,172	
Less: dividend received		(4,000)	(2,000)	
Share of other comprehensive income		42,765	1,613	
As at December 31		312,221	259,222	

11.1 The Company has accounted for investment in Crescent Powertec Limited as associate under IAS 28 "Investment in Associates and Joint Ventures", as management has concluded that the Company have significant influence therein. The assessment is based on the facts that the Company's three directors are also the Board members of Crescent Powertec Limited which comprise of five members, resulted in 60% (2023: 60%) representation on the Board of investee company.

11.2 Following is the details of assets, liabilities, revenue, profit for the year and other comprehensive income of Crescent Powertec Limited:

Year	Assets	Liabilities	Revenue	Profit	Other comprehensive income	% Interest held
	----- Rupees in '000 -----					
As at December 31, 2024	320,498	(8,277)	620	14,234	42,765	8%
As at December 31, 2023	278,052	(18,829)	1,206	11,172	1,613	8%

11.3 The financial year end of the associate company is June 30. However, the total assets and liabilities disclosed above are based on the management accounts for the year ended December 31, 2024 (Unaudited) (2023: Audited). Revenue and profit for the year disclosed above have been worked out on the basis of financial information for the year ended December 31, 2024 (2023: Audited). The share of profit and other comprehensive income are on the basis of management accounts for the year ended December 31, 2024.

	Note	2024	2023	
		----- Rupees in '000 -----		
12. LOANS AND OTHER RECEIVABLES				
Considered good				
Mark-up and dividend receivable		7	195	
Loans to employees	12.1	1,058	1,543	
Deposits	12.2	22,464	9,868	
Receivables against sale of investment	12.3	35,020	-	
Advance to agents		3,922	1,263	
Other receivables		18,179	11,983	
		80,650	24,852	

12.1 These are short term, unsecured interest free loans and advances provided to permanent employees of the Company adjustable against salaries.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

- 12.2** This includes deposit made to a legal advisor for representing the Company in Appelate Tribunal.
- 12.3** This represents receivable against the sale of AFS equity investment on the last day of the year against which the settlement will be made subsequent to year end as per T+2 arrangement.

	Note	2024	2023
13 INSURANCE / REINSURANCE RECEIVABLES		----- Rupees in '000 -----	
Due from insurance contract holders	13.1	253,376	225,651
Amounts due from other insurers / reinsurers	13.2	217,226	251,779
		470,602	477,430
13.1 Due from insurance contract holders			
Unsecured		253,376	225,651
Considered good		182,933	178,715
Considered doubtful		436,309	404,366
Provision for doubtful balances	13.1.1	(182,933)	(178,715)
		253,376	225,651
13.1.1 Provision for doubtful balances			
As at January 01		178,715	173,558
Provision made during the year		4,977	5,157
Write-off during the year		(759)	-
As at December 31		182,933	178,715
13.2 Amounts due from other insurers / reinsurers			
Unsecured		217,226	251,779
Considered good		162,666	117,200
Considered doubtful		379,892	368,979
Provision for doubtful balances	13.2.1	(162,666)	(117,200)
		217,226	251,779
13.2.1 Provision for doubtful balances			
As at January 01		117,200	112,358
Provision made during the year		45,466	5,157
Write-off during the year		-	(315)
As at December 31		162,666	117,200
13.3 The Company has co-insurance and re-insurance arrangements with various insurance and re-insurance companies. Under the above arrangements, the receivable and payable balances originate mainly due to premiums collected or claims settled by the lead insurer on behalf of other co-insurers, and in case of re-insurance, the premium ceded to and claims recoverable from the re-insurer under the respective contracts. As per the prevailing industry practices, settlement of balances under co-insurance arrangements are done between the respective insurance companies in normal course of business. The management represents that the current balances of co-insurers and re-insurers reflected in the records of the Company are based on the underlying contracts and transactions supported by appropriate evidence. In this regard, the Company exchanged balance information with various co-insurers based on significance of the balances and the re-insurers. This information corroborates the balance position of the Company in all material respects.			

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
14 DEFERRED TAX ASSET			
Taxable temporary differences arising from:			
Accelerated tax depreciation		(96,212)	(91,391)
Investment in associate		(89,384)	(74,014)
Intangible assets		(110)	(158)
		<u>(185,706)</u>	<u>(165,563)</u>
Deductible temporary differences arising from:			
Retirement benefit obligations		1,733	2,011
Provision for doubtful receivables		100,224	85,815
Provision for IBNR		13,713	21,519
Provision for impairment of investments		125,826	125,826
Lease liabilities		3,392	1,147
Unused tax losses		134,223	118,450
Unused tax depreciation		51,803	50,746
		<u>430,914</u>	<u>405,514</u>
		<u>245,208</u>	<u>239,951</u>
Deferred tax asset not recognized		<u>(193,405)</u>	<u>(189,205)</u>
Deferred tax asset recognized	14.1	<u>51,803</u>	<u>50,746</u>

- 14.1** The Company has accounted for deferred tax asset on unused tax losses based on its future projections and in accordance with accounting policy as stated in note 4.26 to these financial statements.

	Note	2024	2023
----- Rupees in '000 -----			
15 PREPAYMENTS			
Prepaid reinsurance premium ceded	26	118,388	76,979
Other prepaid expense		1,639	4,303
		<u>120,027</u>	<u>81,282</u>

		2024	2023

16 CASH AND BANK			
Cash and cash equivalent			
- Policy and revenue stamps, bond papers		292	224
Cash at bank			
- Current accounts		5,701	18,222
- Savings account	16.1	48,464	20,617
		<u>54,457</u>	<u>39,063</u>

- 16.1** These carry markup at rates ranging from 3.54% to 20.50% per annum (2023: 10% to 21.66% per annum).

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024	2023
----- Rupees in '000 -----		
17 WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND		
Assets		
Loan and other receivables	450	308
Receivable from PTF	44,848	16,145
Deferred commission expense	10,384	7,353
Cash and bank	11,532	1,630
	<u>67,214</u>	<u>25,436</u>
Qard-e-hasna contributed to PTF	99,903	93,903
Total Assets	<u>167,117</u>	<u>119,339</u>
Liabilities		
Payable to Premier Insurance	195,771	138,966
Other liabilities	63,229	46,163
Total Liabilities	<u>259,000</u>	<u>185,129</u>
Operator's revenue account		
Wakala fee	70,904	62,969
Commission expense	(16,408)	(16,033)
General, administrative and management expenses	(78,175)	(62,072)
Modarib's share of PTF Investment income	4,335	3,949
Profit on bank accounts	179	279
Other expenses	(4,007)	(3,502)
Levy & Taxation	(2,920)	-
Loss for the year	<u>(26,092)</u>	<u>(14,410)</u>

18. SHARE CAPITAL

18.1 Authorized Capital

2024	2023		2024	2023
----- Rupees in '000 -----				
Number of shares in '000				
<u>75,000</u>	<u>75,000</u>	Ordinary shares of Rs.10 Issued as each.	<u>750,000</u>	<u>750,000</u>

18.2 Issued, subscribed and paid-up share capital

2024	2023		2024	2023
----- Rupees in '000 -----				
Number of shares in '000		Ordinary share of Rs. 10 each fully paid in cash	2,000	2,000
<u>200</u>	<u>200</u>		<u>503,650</u>	<u>503,650</u>
<u>50,365</u>	<u>50,365</u>	Ordinary shares of Rs.10 each issued as fully paid bonus share	<u>505,650</u>	<u>505,650</u>
<u>50,565</u>	<u>50,565</u>			

18.3 As at December 31, 2024, the number of shares held by the associated undertakings were 13,428,803 (2023: 13,428,803) of Rs.10 per share.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
19 RESERVES			
Capital reserves			
Reserve for exceptional loss	19.1	19,490	19,490
Devaluation reserve	19.2	185	185
		19,675	19,675
Revenue reserves			
General reserve		996,851	996,851
Revaluation reserve of available for sale investments		360,628	220,187
Revaluation reserve of available for sale investments - associate		220,278	177,513
Revaluation reserve - Property and equipment	19.3	35,859	35,859
Total revenue reserves		1,613,616	1,430,410
Total reserves		1,633,291	1,450,085
Accumulated losses		(939,890)	(1,008,339)
		693,401	441,746

- 19.1** This reserve was created at 10% of premium income net of reinsurance till the year 1978 in terms of the repealed Income Tax Act, 1922.
- 19.2** This represents reserves created due to the devaluation of the Pakistani Rupee in 1972, security deposit with the government of Lebanon and balances with overseas banks were converted at the new rates of exchange. This resulted in an increase in value which was transferred to capital reserve in year 1973.
- 19.3** This reserve was created in the year 2018 upon transfer of properties from property and equipment to investment property.

	Note	2024	2023
----- Rupees in '000 -----			
20 RETIREMENT BENEFIT OBLIGATIONS			
Defined benefit plan - gratuity	20.1	966	1,527
Employee compensated absences	20.11	5,009	5,408
		5,975	6,935
20.1 Liability in statement of financial position			
Present value of defined benefit obligation	20.4	966	1,527

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
20.2 Movement in the net liability recognized			
As at 01 January		1,527	1,901
(Income) / expense for the year	20.3	(361)	247
		1,166	2,148
Payments during the year		(270)	(225)
Experience adjustment		70	(396)
Balance at 31 December		966	1,527
20.3 Expense recognized in the profit or loss account			
Interest (income) / cost on defined benefit obligation		(361)	247
20.4 Reconciliation of the present value of the defined benefit obligations			
As at January 01		1,527	1,901
(Income) / expense for the year	20.3	(361)	247
Benefit paid		(270)	(225)
Experience adjustment	20.5	70	(396)
As at December 31		966	1,527
20.5 Gain / (loss) re-measurements chargeable in other comprehensive income			
Actuarial gain / (loss) on remeasurement		70	(396)
Experience adjustments		70	(396)
20.6 Maturity profile of defined benefit obligation			
Average duration of the defined benefit obligation is:		3.14 Years	3.10 Years
20.7	The estimated expenses to be charged to profit and loss account for the year 2025 is Rs. 82,205.		
20.8	Projected Unit Credit (PUC) Actuarial cost method was used for calculating the accounting entries in this report.		

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024	2023
20.9 Sensitivity analysis on significant actuarial assumptions of actuarial liability:		
Principal actuarial assumptions used are as follows:		
Discount rate used for interest cost in profit and loss account	12.25%	15.50%
Discount rate used for year end obligation	12.25%	15.50%
Next salary is increased at	January 1, 2025	January 1, 2024
Retirement assumption	Age 60	Age 60
	2024	2023
----- Rupees in '000 -----		
Base		
Discount rate +100 bps	941	1,486
Discount rate -100 bps	991	1,571
Salary increase rate +100 bps	966	1,527
Salary increase rate -100 bps	966	1,527
Molarity rate +10%	965	1,527
Molarity rate -10%	966	1,526
Withdrawal rate +10%	971	1,549
Withdrawal rate -10%	960	1,503

20.10 Historical data of gratuity scheme

	2024	2023	2022	2021	2020
----- Rupees in '000 -----					
Present value of defined benefits obligations	966	1,527	1,901	2,292	1,179
Experience adjustment arising on plan liabilities	70	(396)	(561)	168	4

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024	2023
----- Rupees in '000 -----		
20.11 Movement in the net liability recognized in the statement of financial position - Employee Compensated Absences		
As at January 01	5,408	5,841
Expense for the year	264	386
	5,672	6,227
Interest cost	739	834
Payment during the year	(1,942)	(1,090)
Actuarial gain / (loss) on remeasurement	540	(563)
As at December 31	5,009	5,408

20.12 Expense recognized in the profit or loss account

Current service cost	264	386
Interest cost	739	834
	1,003	1,220

20.13 Principal Actuarial Assumptions

Following are important actuarial assumptions used in the benefits valuation:

Discount rate	12.25%	15.50%
Salary increase rate (p.a.)	12.25%	15.50%

20.14 Projected Unit Credit (PUC) Actuarial cost method was used for calculating the accounting entries in this report.

20.15 The estimated expenses to be charged to profit and loss account for the year 2025 is Rs. 627,208.

20.16 Average duration of the defined benefit obligation is: 7.06 yrs.

	Note	2024	2023
21 LIABILITIES UNDER DIMINISHING MUSHARKA			
Vehicles	21.1	6,411	-

	Minimum lease payments	Financial charges for future periods	Principal outstanding

Rupees in '000 -----			
21.1	2,916	1,630	1,286
Not later than one year	7,533	2,408	5,125
Later than one year and not later than five years	10,449	4,038	6,411

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
22 LEASE LIABILITIES			
Right of use assets			
Right of use assets	22.1	5,285	3,954
22.1 Lease liability against Right of use assets			
As at January 1		3,954	7,972
Reassessment made during the year		2,496	-
Payment made during the year		(1,978)	(4,644)
Interest charges for the year		4,472	3,328
As at December 31		813	626
		5,285	3,954
23 INSURANCE / REINSURANCE PAYABLES			
Due to other insurers / reinsurers		667,741	469,773
24 OTHER CREDITORS AND ACCRUALS			
Bonus payable		218	3,102
Commissions payable		126,221	138,561
Federal excise duty and sales tax		23,987	17,342
Deposits and margins		2,127	2,127
Provision for rent	24.1	14,000	14,000
Others	24.2	67,355	50,592
		233,908	225,724
24.1 The Company is in litigation with the landlord against rental premises. The possibility of the eventual beneficiary being other than the Company is considered remote by the Company's legal advisor. However, the Company has made a provision of the disputed amount as a matter of prudence.			
24.2 This includes outstanding claims in respect of which cheques aggregating to Rs. 6.9 million (2023: Rs. 2.6 million) have been issued by the Company for claim settlement but the same have not been encashed by the claimant. The following is the aging as required by Securities Exchange Commission of Pakistan - SECP's circular 11 of 2014 dated May 19, 2014:			
		2024	2023
----- Rupees in '000 -----			
1 to 6 months		4,350	-
More than 6 months		2,613	2,652
		6,963	2,652

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Claims not encashed

	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months	Total
----- Rupees in '000 -----						
2024	4,350	-	153	44	2,416	6,963
2023	-	39	152	7	2,454	2,652

25. CONTINGENCIES AND COMMITMENTS

25.1 Commitments

Commitment for capital expenditure

15,038

25.1.1 This represents the commitment regarding capital expenditure in investment property.

25.2 Contingencies

25.2.1 The Company received a show cause notice dated November 06, 2019 from Securities Exchange Commission of Pakistan (SECP) on account of settlement of claim to Pakistan Chipboard (Private) Limited amounting to Rs. 199.699 million for implementation of the order dated January 19, 2018 passed by Federal Insurance Ombudsman of Pakistan (FIO). On March 20, 2020, SECP had passed an order to the Company, directing it to comply with the order passed by FIO on January 19, 2018. The management is of the view that claim is invalid based on the policy. Accordingly, the Company has filed an appeal against this order. Currently, the matter is pending and no provision has been made in the financial statements as the management believes that, based on the opinion of its legal advisor, no unfavorable outcome could arise.

25.2.2 The Company received a show cause notice dated April 26, 2016 from Sindh Revenue Board (SRB) on account of not charging and paying Sindh Sales Taxes amounting Rs. 188.8 million for services received from foreign reinsurance companies from 2011 to 2014. The Company is of the view that the said amendment was imposed in the Sindh Sales Tax on Services Act, 2011 in the year 2014 that was prospective in nature and can not be made basis for recovery of the said sales tax for the above mentioned year and accordingly the Company filed an appeal with Commissioner Appeals (Sindh Revenue Board). Currently the matter is pending adjudication and no provision has been made in these financial statements as the Company believes, based on the advice of its legal advisor, that the matter will be decided in its favor.

25.2.3 During 2021, the Deputy Commissioner Inland Revenue (DCIR) passed an assessment order for the tax year 2015 for a net demand of Rs. 5.4 million. The Company filed an appeal against the order before Deputy Commissioner (Appeals) and based on the opinion of the tax advisor of the Company, the management believes that the matter will be decided in the favour of the Company. Accordingly, no provision has been made in these financial statements.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

- 25.2.4** During the year 2022, the Additional Commissioner Inland Revenue (ACIR) passed an assessment order for the tax year 2020 for a net demand of Rs. 3.25 million. The Company filed an appeal against the order before Commissioner (Appeals) and based on the opinion of the tax advisor of the Company, the management believes that the matter will be decided in the favor of the Company. Accordingly, no provision has been made in these financial statements.
- 25.2.5** The Sindh Revenue Board (SRB) has not extended the exemption on health insurance with effect from July 1, 2023. The management of the Company sought a legal opinion from legal advisors, who confirmed the Company's contention that health insurance is not a service, but, an underwriter's promise to pay to its policyholders in the future, as is also clearly defined in the definition of the term "insurance" under the Insurance Ordinance, 2000. The insurance industry decided to challenge the matter and a constitutional petition has been filed at the Honorable Sindh High Court (the Court). Based on the above, the Company is not charging sales tax on the policies written in the province of Sindh, nor recognising the liability for Sindh Sales Tax (SST) till June 30, 2024 in the financial statements. The management estimates the total exposure on this matter as at December 31, 2024 amounts to Rs. 35.431 million (2023: 25.901 million).
- 25.2.6** During the year 2023, the Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) for the tax year 2018 for a net demand of Rs. 13.9 million. The Company has filed an appeal before the Commissioner Appeals. Based on the opinion of the tax advisor of the Company, the management believes that the matter will be decided in the favor of the Company, and therefore, no provision is required to be made in these financial statements.
- 25.2.7** With respect to appeal filed by the department for the tax year 2010, 2012 and 2013, the Appellate Tribunal Inland Revenue (ATIR) passed an order in favor of the Department. The Company has filed a reference appeal against the order of ATIR before the Court. Based on the opinion of the tax advisor of the Company, the management believes that the matter will be decided in the favor of the Company, and therefore, no provision is required to be made in these financial statements.
- 25.2.8** During the year, the Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(5A) of the Ordinance for the tax year 2019, 2021 and 2023 for a net demand of Rs. 5.7 million, Rs. 4.4 million and Rs. 4.65 million respectively. The Company has filed an appeal before the Commissioner Appeals. Based on the opinion of the tax advisor of the Company, the management believes that the matter will be decided in the favor of the Company, and therefore, no provision is required to be made in these financial statements.
- 25.2.9** During the year, the Additional Commissioner Inland Revenue passed an order under section 122(5A) of the Ordinance for the tax year 2022 and reduced the refundable balance from 27.7 million to Rs. 8.4 million. The Company has filed an appeal before the Commissioner Appeals. Based on the opinion of the tax advisor of the Company, the management believes that the matter will be decided in the favor of the Company, and therefore, no provision is required to be made in these financial statements.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024	2023
----- Rupees in '000 -----		
26 NET INSURANCE PREMIUM		
Written gross premium	497,674	515,683
Add: Unearned premium reserve opening	273,246	332,080
Less: Unearned premium reserve closing	<u>(284,803)</u>	<u>(273,246)</u>
Premium earned	486,117	574,517
Less: Reinsurance premium ceded	257,794	206,146
Add: Prepaid reinsurance premium opening	76,979	130,491
Less: Prepaid reinsurance premium closing	<u>(118,388)</u>	<u>(76,979)</u>
Reinsurance expense	216,385	259,658
Net insurance premium	<u>269,732</u>	<u>314,859</u>
27 NET INSURANCE CLAIMS		
Claims paid	293,734	637,265
Less: Outstanding claims including IBNR opening	<u>(607,489)</u>	<u>(897,213)</u>
Add: Outstanding claims including IBNR closing	490,710	607,489
Claims expense	176,955	347,541
Less: Reinsurance and other recoveries received	90,788	415,898
Less: Reinsurance and other recoveries	<u>(276,075)</u>	<u>(489,897)</u>
in respect of outstanding claims - opening		
Add: Reinsurance and other recoveries	207,465	276,075
in respect of outstanding claims - closing		
Reinsurance and other recoveries revenue	<u>22,178</u>	<u>202,076</u>
Net insurance claims	<u>154,777</u>	<u>145,465</u>

27.1 The net provision for IBNR on the basis of actuarial valuation carried out as at December 31, 2024 amounted to Rs. 47.28 million (2023: Rs. 50.19 million).

27.2 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 PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Accident Year	CLAIM DEVELOPMENT TABLE								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
(Rupees in '000)									
Estimate of ultimate claims cost:									
At end of accident year	70,403	94,439	84,202	77,427	68,306	99,559	132,094	119,319	143,963
One year later	74,900	92,291	87,485	85,070	56,613	86,517	114,904	101,965	-
Two years later	75,196	87,982	84,959	83,938	57,157	86,918	112,762	-	-
Three years later	72,605	87,756	84,858	84,269	56,990	86,126	-	-	-
Four years later	72,550	87,431	84,190	83,937	56,649	-	-	-	-
Five years later	72,547	87,828	84,017	83,751	-	-	-	-	-
Six years later	72,903	87,800	84,033	-	-	-	-	-	-
Seven years later	72,952	87,809	-	-	-	-	-	-	-
Eight years Later	72,952	-	-	-	-	-	-	-	-
Current estimate of cumulative claims	72,952	87,809	84,033	83,751	56,649	86,126	112,762	101,965	143,963
Cumulative payments till date	72,628	84,810	83,128	83,472	55,697	84,256	110,536	99,560	92,760
Liability recognised in statement financial position	324	2,999	905	279	951	1,870	2,226	2,406	51,204

28 NET COMMISSION EXPENSE AND OTHER ACQUISITION COSTS	2024	2023
----- Rupees in '000 -----		
Commission paid or payable	32,134	40,080
Add: Deferred commission expense opening	21,517	28,694
Less: Deferred commission expense closing	(18,707)	(21,517)
Commission expense	<u>34,944</u>	47,257
Less: Commission received or recoverable from reinsurers	48,497	28,685
Add: Unearned reinsurance commission opening	12,738	24,251
Less: Unearned reinsurance commission closing	(26,133)	(12,738)
Commission from reinsurance	<u>35,102</u>	40,198
Net commission (income) / expense	<u>(158)</u>	7,059
Add: other acquisition costs:		
Tracking device expenses	318	295
Service charges	11,778	10,820
Other costs	4,131	4,484
Net commission expense and other acquisition costs	<u>16,227</u>	15,599
	<u>16,069</u>	22,658

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
29 MANAGEMENT EXPENSES			
Employee benefit cost	29.1	137,201	145,455
Travelling expenses		2,083	2,957
Advertisement and sales promotion		2,086	1,422
Printing and stationary		1,760	1,977
Depreciation on property and equipment	7.1	5,449	5,259
Depreciation on right of use assets	7.3	1,273	1,299
Amortization	8	163	233
Rent, rates and taxes		3,342	1,950
Legal and professional charges		6,140	12,757
Electricity, gas and water		7,182	5,834
Entertainment		1,752	2,026
Vehicle running expenses		2,534	1,293
Office repairs and maintenance		3,451	3,234
IT and software related expense		2,365	2,389
Bank charges		86	29
Postages, telegrams and telephone		3,104	4,229
Insurance expense		1,982	1,608
Annual supervision fee SECP		1,048	991
Bad and doubtful debts		50,444	10,314
Others		1,528	1,512
		234,973	206,768

29.1 Employee benefit cost

Salaries, allowance and other benefits	131,483	138,598
Charges for post employment benefit	5,718	6,857
	137,201	145,455

30 INVESTMENT INCOME

Income from equity securities and mutual fund units

Available for sale		
Dividend income		
- Equity securities	43,823	33,492
- Mutual funds	15,773	10,292

Net realized gain on investments

Available for sale		
- Equity securities	148,231	2,640
- Mutual funds	6,731	
Total investment income	214,558	46,424
Less: investment related expenses	(2,257)	(739)
	212,301	45,685

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
		----- Rupees in '000 -----	
31 OTHER INCOME			
Return on bank balances		3,971	3,068
Gain on sale of operating fixed assets		11,327	2,139
Miscellaneous		3,018	2,688
		18,316	7,895
32 OTHER EXPENSES			
Auditors' remuneration	32.1	2,410	2,400
Fees and subscription		4,873	4,346
		7,283	6,746
32.1 Auditors' remuneration			
Audit fee		1,475	1,391
Review of interim financial statements		435	395
Special certifications and other		500	614
		2,410	2,400
33 FINANCE COSTS			
Liability under diminishing musharka		626	-
Lease liabilities		813	626
		1,439	626
34 LEVY			
Minimum tax differential	34.1	6,222	8,752
34.1	This represents portion of minimum tax paid under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.		
35 TAXATION			
Current		-	-
Deferred		1,056	413
		1,056	413

35.1 The relationship between tax expense and accounting profit has not been presented in these financial statements as the income of the Company is subject to tax under section 113 of the Income Tax Ordinance, 2001.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024	2023
----- Rupees in '000 -----		
36 EARNINGS PER SHARE - BASIC AND DILUTED		

Profit after tax for the year	69,059	7,938

Weighted average number of ordinary shares outstanding during the year	50,565	50,565

Earnings per share - basic and diluted	1.37	0.16

No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would dilute its basic profit / (loss) per share when exercised.

37 COMPENSATION OF DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Director		Executive	
	2024	2023	2024	2023	2024	2023
----- Rupees in '000 -----						
Managerial remuneration	-	-	2,946	3,240	81,107	71,826
Leave encashment	-	-	-	-	1,210	853
Fuel and travelling	-	-	2,317	2,986	17,423	14,758
Contribution to defined contribution plan	-	-	257	270	3,827	3,949
Rent and house maintenance	-	-	982	1,080	21,800	19,431
Utilities	-	-	982	2,360	17,556	15,448
Medical	-	-	24	-	2,498	3,361
Others	-	5	3,396	1,111	5,662	1,860
	-----	-----	10,904	11,047	151,083	131,486
Number of persons	-	1	1	1	48	43

37.1 Director fee for the year for attending the Board meetings is Rs. 860 thousand (2023: Rs. 928 thousand).

37.2 Chief Executive Officer did not take any kind of remuneration from the Company.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

38 NUMBER OF EMPLOYEES

The total and average number of employees during the year ended December 31, 2024 and 2023 are as follows:

	2024	2023
	----- Number -----	
As at year end	<u>82</u>	82
Average during the year	<u>83</u>	87

39 RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, entities under common control, entities with common directors, shareholder and key management personnel of the Company. Transactions with related parties are carried out at terms as agreed by the Board of Directors of the Company. The compensation to key management personnel is carried out on basis of employment terms and conditions. The transactions with related parties are as follows:

	2024	2023
	----- Rupees in '000 -----	
Transactions during the year		
Associated Companies		
Premium underwritten	136,004	119,301
Premium received	144,987	149,169
Claims paid	53,012	44,068
Dividend received	8,912	-
Commission paid	1,530	-
Others	10,591	5,964
Others		
Premium underwritten	20	12
Premium received	7	14
Balances		
Associated Companies		
Premium receivable	82,967	85,707
Claims outstanding	49,450	51,305
Commission outstanding	1,180	341
Others		
Premium receivable	134	117

39.1 Company's contribution toward staff provident fund for the year is Rs. 3.44 million (2023: Rs. 4.04 million).

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

40. SEGMENT REPORTING

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
----- Rupees in '000 -----												
Premium receivable (inclusive of FED / Sales Tax, Federal insurance fee and Administrative surcharge)	169,785	132,022	46,670	47,336	87,933	97,098	200,447	231,426	55,738	52,031	560,574	559,913
Less: FED / sales tax	(18,467)	(15,601)	(5,371)	(5,107)	(11,251)	(12,067)	(16,675)	-	(6,605)	(6,469)	(58,368)	(39,244)
Less: Federal insurance fee	(1,176)	(1,024)	(390)	(412)	(725)	(814)	(1,807)	(2,291)	(434)	(445)	(4,531)	(4,986)
Gross written Premium (inclusive of Administrative surcharge)	150,142	115,397	40,909	41,817	75,958	84,217	181,965	229,135	48,700	45,117	497,674	515,683
Gross direct premium	116,689	101,539	37,932	40,146	71,334	80,250	181,689	228,905	42,743	43,975	450,387	494,815
Facultative inward premium	32,666	13,219	1,913	641	3,504	2,731	-	-	5,300	544	43,383	17,135
Administrative surcharge	787	639	1,064	1,030	1,121	1,236	276	230	657	598	3,904	3,733
Insurance premium earned	116,778	206,154	38,403	44,174	79,869	76,349	203,397	196,856	47,671	50,984	486,117	574,517
Insurance premium ceded to reinsurers	(111,207)	(168,312)	(31,742)	(36,344)	(8,042)	(4,297)	(41,774)	(29,264)	(23,620)	(21,440)	(216,385)	(259,657)
Net Insurance premium	5,571	37,842	6,661	7,830	71,827	72,052	161,623	167,592	24,051	29,544	269,732	314,860
Commission income from reinsurers	16,042	25,538	7,045	6,267	404	333	7,957	4,818	3,655	3,242	35,102	40,199
Net underwriting income	21,613	63,380	13,706	14,097	72,231	72,385	169,579	172,410	27,705	32,786	304,835	355,058
Insurance claims expense	62,801	(74,415)	(3,415)	(8,697)	(21,776)	(22,429)	(200,540)	(157,207)	(14,024)	(84,793)	(176,954)	(347,541)
Insurance claims recovered from reinsurers and other recoveries revenue	(36,580)	78,170	3,189	10,035	4,340	4,736	41,628	28,691	9,602	80,444	22,179	202,076
Net Insurance claims	26,221	3,755	(226)	1,338	(17,436)	(17,693)	(158,912)	(128,516)	(4,424)	(4,349)	(154,777)	(145,465)
Commission expense	(9,647)	(20,967)	(1,598)	(1,443)	(4,993)	(5,140)	(11,049)	(12,505)	(7,657)	(7,203)	(34,944)	(47,257)
Premium deficiency	-	-	-	-	-	-	-	3,059	-	-	-	3,059
Management expense	(56,446)	(74,194)	(18,563)	(15,898)	(38,606)	(27,478)	(98,315)	(70,848)	(23,043)	(18,349)	(234,973)	(206,768)
Other acquisition cost	214	814	70	174	(171)	7	(16,427)	(16,795)	87	201	(16,227)	(15,599)
Net insurance claims and expenses	(39,658)	(90,592)	(20,317)	(15,829)	(61,206)	(50,304)	(284,704)	(225,605)	(35,037)	(29,700)	(440,921)	(412,030)
Underwriting result	(18,045)	(27,212)	(6,611)	(1,732)	11,025	22,082	(115,124)	(53,195)	(7,331)	3,086	(136,086)	(56,972)
Investment income											212,301	45,685
Rental income											4,410	4,839
Revaluation (loss) / gain on investment property											(4,135)	25,441
Other income											18,316	6,794
Other expenses											(7,283)	(5,645)
Finance cost											(1,439)	(626)
Share of profit from associate											14,234	11,172
Share of loss from WTO - Operator's Fund											(26,092)	(14,410)
Profit before tax											74,225	16,277

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

40.1 Segment assets and liabilities

The following presents segments assets and liabilities for the year ended December 31, 2024 and December 31, 2023:

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
----- Rupees in '000 -----												
Segment assets	246,250	473,509	67,096	101,821	124,580	133,027	298,444	387,402	79,873	112,943	816,243	1,208,702
Unallocated corporate assets											2,189,427	1,407,159
Total assets											3,005,670	2,615,861
Segment Liabilities	443,294	305,060	120,785	110,546	224,267	222,633	537,253	605,736	143,787	119,270	1,469,386	1,363,245
Unallocated corporate liabilities											274,003	259,057
Total liabilities											1,743,389	1,622,302

40.2 There is no individual class of business within the category of 'miscellaneous', where the gross premium of the class of business is 10% or more of the gross premium revenue of the company.

41 MOVEMENT IN INVESTMENTS - AVAILABLE FOR SALE

	Rupees in '000
As at January 01, 2023	613,028
Additions	8,746
Disposals (sale and redemptions)	(1,681)
Fair value net gains (excluding net realized gains)	81,472
As at December 31, 2023	701,565
Additions	441,134
Disposals (sale and redemptions)	(342,396)
Fair value net gains (excluding net realized gain)	140,441
As at December 31, 2024	940,744

42 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

42.1 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.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

The Company generally deals in short tail insurance contracts (maximum for one year). Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. 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.

The Company accepts insurance through issuance of general insurance contracts. For these general insurance contracts the most significant risks arise from fire, atmospheric disturbance, earthquake, terrorist activities and other catastrophes. For health insurance contracts, significant risks arise from epidemics.

The Company's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate reinsurance is arranged to mitigate the effect of the potential loss to the Company from individual to large or catastrophic insured events.

Further, the Company adopts strict claim review policies including active management and prompt pursuing of the claims, regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

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 Company manages these risk through the measures described above. The Company has limited its exposure to catastrophic and riot events by use of re-insurance 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.

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

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

	2024	2023
	Maximum Gross Risk Exposure	Maximum Gross Risk Exposure
----- Rupees in '000 -----		
Fire and property damage	6,420,905	6,420,905
Marine, aviation and transport	1,470,000	1,470,000
Motor	37,500	37,500
Health	114,944	114,944
Miscellaneous	70,000	70,000

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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

b) Sources of Uncertainty in the estimation of future claims payments

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

An estimated amount of the claim is recorded immediately on the intimation to the Company. The estimation of the amount is based on management judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims. The estimation of provision of claims incurred but not reported (IBNR) is based on actuary advice.

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

Key assumptions

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

During the year actuarial valuation is carried out for the determination of IBNR which is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required / allowed by the circular 9 of 2016. IBNR is determined by using Chain Ladder Method for all class of business. The claims outstanding and claims paid till date are deducted from the ultimate claim payments for that particular year to derive an IBNR estimate for that year. IBNR triangles are made on a yearly basis for each class of business. The methods used, and the estimates made, are reviewed regularly.

The assumed net of reinsurance loss ratios for each class of business is as follows:

Class	2024	2023
	Assumed net loss ratio	
Fire and property damage	42%	-5%
Marine, aviation and transport	7%	-15%
Motor	80%	79%
Health	79%	82%
Miscellaneous	32%	5%

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

c) Sensitivity analysis

The risks associated with the insurance contracts are complex and subject to a number of variables which complicate quantitative sensitivity analysis. The Company makes various assumptions and uses techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims 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 mostly 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 / (loss) before tax net of reinsurance.

	Pre tax profit / (loss)		Shareholders' equity	
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
10% increase in loss	(15,478)	(14,547)	(15,478)	(14,547)
10% decrease in loss	15,478	14,547	15,478	14,547

Claims development

The development of claims against insurance contracts issued is not disclosed as uncertainty about the amount and timing of claim settlement is usually resolved within one year.

Geographical concentration of insurance risk

To optimize benefits from the principle of averages and law of large numbers, geographical spread of risk is of extreme importance. There are number of parameters which are significant in assessing the accumulation of risks with reference to the geographical location. Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the location, occupation and coverage of the insured's.

The ability to manage catastrophic risk is tied to managing the density of risk within a particular area. For catastrophic aggregates, we have utilized precise geographic CRESTA (Catastrophe Risk Evaluating and Standardizing Target Accumulations) codes with reference to the accumulation of sums insured in force at any particular location against natural perils. It provides a way to better visualize the risk exposures so the Company determines the appropriate amount of reinsurance coverage to protect the business portfolio.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024	2023
----- Rupees in '000 -----		
43 FINANCIAL RISKS		
43.1 Financial instruments by category		
Financial assets		
Loans and receivables		
Loans and other receivables	80,650	24,852
Insurance / reinsurance receivables	470,602	477,430
Reinsurance recoveries against outstanding claims	207,465	276,075
Salvage recoveries accrued	4,075	1,397
Cash and bank balances	54,457	39,063
Available for sale		
Investments - equity securities	878,300	618,023
Financial liabilities		
At amortized cost		
Outstanding claims including IBNR	490,710	607,489
Lease liabilities	6,411	3,954
Insurance / reinsurance payables	667,741	469,773
Other creditors and accruals	219,908	211,724
Unclaimed dividend	22,423	22,443

43.2 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

- Credit risk
- Liquidity risk
- Market risk

43.2.1 Credit risk

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

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024	2023
----- Rupees in '000 -----		
Bank deposits	54,164	38,840
Premium due but unpaid - net of provision	253,376	225,651
Amount due from other insurers / reinsurers - net of provision	217,226	251,779
Accrued investment income	7	195
Reinsurance recoveries against outstanding claim	207,465	276,075
Deposits and other receivables	80,643	24,657
	812,881	817,197

General provision is made for receivables according to the Company's policies. The remaining past due balances were not impaired as they relate to a number of policy holders and other insurers / reinsurers for whom there is no history of default.

	2024	2023
----- Rupees in '000 -----		
The age analysis of premium due but unpaid is as follows:		
Up to 1 year	158,006	119,230
1 -2 years	9,620	12,651
2 - 3 years	4,681	4,535
Over 3 years	264,002	267,950
	436,309	404,366

The age analysis of premium due but unpaid from related parties is as follows:

Up to 1 year	74,302	57,625
1 -2 years	4,128	8,372
2 - 3 years	1,131	2,772
Over 3 years	3,539	2,423
	83,100	71,192

The credit quality of claim recoveries from Reinsurance Companies can be assessed with reference to external credit ratings.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Amount due from reinsurance operators	Reinsurance recoveries against outstanding claims	Other reinsurance asset	2024	2023
----- Rupees in '000 -----					
A or above	325,196	113,875	76,952	516,023	453,691
BBB	28,965	61,317	41,436	131,718	118,908
Others	25,732	32,273	1,639	59,644	149,721
Total	379,893	207,465	120,027	707,385	722,320

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

Bank	Rating agency	2024	
		Short term	Long term
MCB Bank Limited	PACRA	A1+	AAA
JS Bank Limited	PACRA	A-1+	AA
Faysal Bank Limited	PACRA / VIS	A-1+	AA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
National Bank Limited	PACRA / VIS	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
FINCA Microfinance Bank Limited	VIS	A-2	A-
Allied Bank Limited	PACRA	A-1+	AAA
Habib Bank Limited	VIS	A-1+	AAA

43.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The following are the contractual maturities of financial liabilities, including interest payments, excluding the impact of netting agreements:

	2024			Total
	Within 1 year	2 - 5 years	More than 5 years	
----- (Rupees in '000) -----				
Financial liabilities				
Outstanding claims				
including IBNR	490,710	-	-	490,710
Lease liabilities	3,229	3,182	-	6,411
Insurance / reinsurance payables	667,741	-	-	667,741
Other creditors and accruals	219,908	-	-	219,908
Unclaimed dividend	22,423	-	-	22,423
	1,404,011	3,182	-	1,407,193

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2023			
	Within 1 year	2 - 5 years	More than 5 years	Total
----- (Rupees in '000) -----				
Financial liabilities				
Outstanding claims including IBNR	607,489	-	-	607,489
Lease liabilities	772	3,182	-	3,954
Insurance / reinsurance payables	469,773	-	-	469,773
Other creditors and accruals	211,724	-	-	211,724
Unclaimed dividend	22,443	-	-	22,443
	1,312,201	3,182	-	1,315,383

43.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

The Company limits market risk by maintaining a diversified portfolio and its continuously monitoring. In addition, the Company actively monitors the key factors that affect the underlying value of these securities.

43.4.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company invests in securities and has deposits that are subject to interest / mark-up rate 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 invests in securities and has deposits that are subject to interest / mark-up rate risk.

Maturity profile of financial assets and liabilities:

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

2024	Effective rate % per annum	Interest / Mark-up bearing			Non- interest / Non - mark-up bearing			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 '000 -----										
FINANCIAL ASSETS										
Investments in equity securities		-	-	-	-	-	-	-		
Investments in associates		-	-	-	-	312,221	312,221	312,221		
Loans and other receivables		-	-	-	58,799	21,851	80,650	80,650		
Insurance receivables		-	-	-	470,602	-	470,602	470,602		
Reinsurance recoveries against outstanding claims		-	-	-	207,465	-	207,465	207,465		
Salvage recoveries accrued		-	-	-	4,075	-	4,075	4,075		
Cash	3.54%-20.50%	48,464	-	48,464	5,701	-	5,701	54,165		
December 31, 2024		48,464		48,464	746,642	334,072	1,080,714	1,129,178		
FINANCIAL LIABILITIES										
Outstanding claims including IBNR		-	-	-	490,710	-	490,710	490,710		
Insurance payables		-	-	-	667,741	-	667,741	667,741		
Other creditors and accruals		-	-	-	233,908	-	233,908	233,908		
Lease liabilities		-	-	-	2,517	9,180	11,697	11,697		
December 31, 2024		-		-	1,394,876	9,180	1,404,056	1,404,056		
OFF BALANCE SHEET ITEMS										
Capital commitments		-	-	-	15,038	-	15,038	15,038		
December 31, 2024		-		-	15,038		15,038	15,038		
Interest risk sensitivity gap		19,845	(3,182)	16,663	(501,386)	240,270	(261,117)	(244,453)		

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

2023	Effective rate % per annum	Interest / Mark-up bearing			Non- interest / Non - mark-up bearing			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 '000 -----										
FINANCIAL ASSETS										
Investments in equity securities		-	-	-	-	230,402	230,402	230,402		
Investments in associates		-	-	-	-	230,402	230,402	230,402		
Loans and other receivables		-	-	-	10,550	9,868	20,418	20,418		
Insurance receivables		-	-	-	477,430	-	477,430	477,430		
Reinsurance recoveries against outstanding claims		-	-	-	276,362	-	276,362	276,362		
Salvage recoveries accrued		-	-	-	1,397	-	1,397	1,397		
Cash	10.00 - 21.66	20,617	-	20,617	18,446	-	18,446	39,063		
December 31, 2023		20,617		20,617	784,185	240,270	1,024,455	1,045,072		
FINANCIAL LIABILITIES										
Outstanding claims including IBNR		-	-	-	607,247	-	607,247	607,247		
Insurance payables		-	-	-	469,773	-	469,773	469,773		
Other creditors and accruals		-	-	-	208,551	-	208,551	208,551		
Lease liabilities		772	3,182	3,954	-	-	-	3,954		
December 31, 2023		772	3,182	3,954	1,285,571	-	1,285,571	1,289,525		
OFF BALANCE SHEET ITEMS										
Capital commitments		-	-	-	15,038	-	15,038	15,038		
December 31, 2023		-	-	-	15,038	-	15,038	15,038		
Interest risk sensitivity gap		19,845	(3,182)	16,663	(501,386)	240,270	(261,117)	(244,453)		

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

The Company does not account for any variable rate financial assets and liabilities. Therefore, a change in interest rate at the reporting date would not affect profit and loss account.

43.4.2 Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pak Rupees.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

43.4.3 Other price risk

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

The Company's listed securities and mutual funds are susceptible to market price risk arising from uncertainties about the future value of investment securities and units. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in equity and mutual funds. In addition, the Company actively monitors the key factors that affect stock market.

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

	Price change	Fair value	Effect on fair value
----- Rupees in '000 -----			
December 31, 2024	5%	939,261	46,963
December 31, 2023	5%	940,744	47,037

43.5 Operational Risk

Business Continuity Plans for respective areas are in place and tested. Work-from-Home capabilities have been enabled for staff where ever required, while ensuring adequate controls to ensure that the Company's information assets are adequately protected from emerging cyber threats.

43.6 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, to meet the regulatory solvency and paid-up capital requirements so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

Currently the Company has a paid-up capital of Rs.505.650 million against the minimum required capital of Rs.500 million set by the SECP vide SRO 828.

In addition, the Company is also required to maintain minimum solvency in accordance with the rules and regulations set by the SECP which are fully met by the Company.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

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44 STATEMENT OF SOLVENCY

	2024 Rupees in '000
Assets	
Property and equipment	206,511
Intangible assets	380
Investment properties	346,939
Investment in associate	312,221
Investments	951,859
Loans and other receivables	132,891
Insurance / reinsurance receivables	555,774
Reinsurance recoveries against outstanding claims	216,332
Salvage recoveries accrued	11,185
Deferred commission expense	58,834
Taxation - provision less payment	23,972
Deferred tax asset	51,803
Prepayments	136,679
Cash and bank	139,431
Total assets related to operator's fund from Window Takaful Operations (including Qard-e-Hasna)	167,117
Total Assets (A)	3,311,928

In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000

(d) Loans to employees	1,058
(h) Insurance / reinsurance receivables	113,730
(k) Cash and bank deposits	437
(i) Intangible assets	380
(j) Deferred tax assets	51,803
(s) Investments	287,983
(g) Investments	312,221
(u) - (i) Vehicles	19,286
(u) - (ii) Office equipment and computers	6,051
(u) - (iii) Furniture and fixtures	4,826
(k) Guarantees under bond insurance	2,127
Qard-e-Hasna contributed by operator's fund	99,903
Total of In-admissible assets (B)	899,805
Total Admissible Assets (C=A-B)	2,412,123

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

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Total Liabilities	2024 Rupees in '000
Underwriting provisions	605,329
Outstanding claims including IBNR	350,013
Unearned premium reserves	29,546
Unearned commission income	985
Contribution deficiency reserve	5,975
Retirement benefit obligations	6,411
Liabilities under diminishing musharka	5,285
Lease liability	693,643
Insurance / reinsurance payables	288,541
Other creditors and accruals	22,423
Unclaimed dividend	63,229
Total liabilities related of operator's fund	2,071,380
Total Liabilities (D)	340,742

Total Net Admissible Assets (E=C-D)	340,742
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Minimum Solvency Requirement (higher of following)

Method A - U/s 36(3)(a)	150,000	
Method B - U/s 36(3)(b)	88,939	
Method C - U/s 36(3)(c)	120,996	150,000
Excess in Net Admissible Assets over Minimum Requirements		190,742

- 44.1** The law is silent with regard to the inadmissibility of the "Prepaid reinsurance premium ceded" and "Deferred commission expense" in Section 32(2) of the Insurance Ordinance, 2000 and, hence, these have been treated as admissible assets for the purpose of this statement.
- 44.2** Regulation 6(2) of General Takaful Accounting Regulations, 2019 ("Takaful Regulations 2019") assets and liabilities of window takaful operation included in computation of solvency requirements.

45 PROVIDENT FUND

The Company operates an approved contributory provident fund (the fund) for its permanent employees. Details of net assets and investments as per 2024 (2023: audited) financial statements of the fund are as follows:

	Unaudited 2024	Audited 2023
----- Rupees in '000 -----		
Size of the fund	129,899	97,605
Cost of investments made	119,632	32,146
Fair value of investments	128,875	46,558
Investment - (%)	99.2%	47.7%

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

All investments in collective investment scheme, listed equity and listed debt securities from the provident fund have been made in accordance with the provisions of section 218 of Companies Act, 2017 and the conditions specified thereunder.

	Unaudited 2024	Audited 2023
----- Rupees in '000 -----		
Break-up of investments		
Mutual Funds	128,875	46,558
Bank balance	1,025	51,047

46 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in these financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There had been no transfers between the fair value of hierarchy during the year.

Following are the assets which are either measured at fair value or for which fair value is only disclosed and is different from their carrying value:

	2024		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
----- Rupees in '000 -----			
Available for sale investments (measured at fair value)			
Equity securities	876,817	1,483	-
Mutual fund units	-	62,444	-
	876,817	63,927	-

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2023		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
----- Rupees in '000 -----			
Available for sale investments (measured at fair value)			
Equity securities	616,540	1,483	-
Mutual fund units	-	83,542	-
	616,540	85,025	-

The fair values of all other financial assets and liabilities are approximate to their carrying values.

47 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary for the purpose of better presentation and comparison. However, there were no material reclassifications to report during the year except as disclosed in note 4.33 of the financial statements.

48 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 26 March, 2025 by the Board of directors of the Company.

49 GENERAL

Figures in these financial statements have been rounded off to the nearest thousand rupees.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMIER INSURANCE LIMITED-WINDOW TAKAFUL OPERATION

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **PREMIER INSURANCE LIMITED - WINDOW TAKFUL OPERATIONS**, (the Operator), which comprise the statement of financial position as at December 31, 2024 and the profit and loss account, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and, to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in 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, 2024 and of the loss, its other comprehensive loss, the changes in funds and the 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 Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Operator in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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.

Auditors 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 Operator's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Operator to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- 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);
- the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in funds 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;
- 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 Zulfikar Ali Causer.

KARACHI

DATED: 28-Mar-2025

UDIN: AR202410067uC8nTjSGw



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

MUFTI UBAID UR RAHMAN ZUBAIRI

Graduate from Jamia Darul Uloom Karachi, Pakistan

Shariah Advisor-PREMIER Window Takaful Operations

مفتی عبید الرحمن زبیری

ناصل حاصلدار اعلوم کراچی

شرعی مشیر پرمنیگر و نڈو تکافل آپریٹر

Annual Shariah Review Report 2024

For the period ended December 2024

Premier Insurance Limited started its Window Takaful Operations on 2nd October 2015 (hereafter referred to as PIL-WTO). As the Sh'ariah Advisor of PIL-WTO, I have examined the financial statements for the year ended 31st December 2024. Based on the provided information and explanations, I report as follows:

Shariah Certification

- The Takaful policies issued during the year comply with Shariah guidelines and approved Takaful structures.
- Takaful Fund investments are made in accordance with Shariah principles. Additionally, all Takaful bank accounts are maintained with Islamic banks and are distinct from the conventional insurance business.
- The segregation of Window Takaful Operations is an essential part of valid Takaful contracts. I am pleased to state that PIL-WTO has ensured the separation of Takaful Funds, Investments, and Bank Accounts from its conventional insurance business, in compliance with Shariah requirements and the Takaful Rules, 2012.

Conclusion and Recommendation

In conclusion, I confirm that Shariah principles were followed in the practical implementation of PIL-WTO this year. I appreciate the cooperation and commitment of the Board of Directors, Management, Head of Window Takaful Operations, and all relevant departments in ensuring Shariah compliance in Takaful practices.

I recommend that the Board and Management focus on expanding the Takaful business, as it is now a regulatory requirement of the Securities and Exchange Commission of Pakistan.



Mufti Ubaid ur Rahman Zubairi

Shariah Advisor

Premier Insurance Limited-Window Takaful Operations

17th March 2025

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	Note	Operator's Fund		Participant's Takaful Fund	
		2024	2023	2024	2023
ASSETS					
Investments				Rupees in '000	
Mutual funds	7	-	-	10,515	8,220
Term deposits	8	-	-	600	600
Qard-e-hasna contributed to PTF	9	99,903	93,903	-	-
Other receivables	10	450	308	52,241	40,861
Receivable from PTF	11	44,848	16,145	-	-
Takaful / retakaful receivables	12	-	-	85,172	58,442
Retakaful recoveries against outstanding claims	20	-	-	8,867	15,202
Salvage recoveries accrued		-	-	7,110	360
Deferred wakala expense	25	-	-	40,127	30,827
Deferred commission expense	26	10,384	7,353	-	-
Prepayments	13	-	-	16,652	13,655
Cash and bank	14	11,532	1,630	84,974	66,350
TOTAL ASSETS		167,117	119,339	306,258	234,517
FUNDS AND LIABILITIES					
Funds attributable to:					
Operator's Fund (OPF)					
Statutory fund		50,000	50,000	-	-
Accumulated losses		(141,883)	(115,790)	-	-
Total Operator's Fund		(91,883)	(65,790)	-	-
Participant's Takaful Fund (PTF)					
Ceded money		-	-	500	500
Unrealized gain on available for sale investments		-	-	1,326	387
Accumulated deficit		-	-	(60,234)	(56,036)
Balance of Participant's Takaful Fund		-	-	(58,408)	(55,149)
Qard-e-Hasna		-	-	99,903	93,903
LIABILITIES					
PTF Underwriting provisions					
Outstanding claims including IBNR	20	-	-	65,211	54,901
Unearned contribution reserve	18	-	-	114,619	88,051
Contribution deficiency reserve		-	-	985	1,516
Reserve for Unearned retakaful rebate	19	-	-	3,413	2,484
		-	-	184,228	146,951
Unearned wakala fees	25	40,127	30,827	-	-
Takaful / retakaful payables		-	-	25,902	28,981
Payable to OPF	15	-	-	44,848	16,145
Other creditors and accruals	16	218,873	154,302	9,785	3,686
TOTAL LIABILITIES		259,000	185,129	80,535	48,812
TOTAL FUND AND LIABILITIES		259,000	185,129	264,763	195,763
CONTINGENCIES AND COMMITMENTS		167,117	119,339	306,258	234,517
	17				

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

**PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF PROFIT AND LOSS ACCOUNT**

For the year ended December 31, 2024

	Note	2024	2023
----- Rupees in '000 -----			
Participants' Takaful Fund - (PTF) Revenue account			
Contribution earned - net of wakala fee	18	136,148	116,556
Less: Contribution ceded to retakaful	18	(32,083)	(27,634)
Net contribution revenue	18	104,065	88,922
Re-takaful rebate earned	19	5,922	5,021
Net underwriting income		109,987	93,943
Net claims - reported / settled	20	(112,351)	(79,829)
- IBNR	20	(2,722)	(6,529)
Reversal of contribution deficiency reserve		531	1,514
Other direct expenses	21	(7,687)	(5,238)
(Deficit) / surplus before investment income		(12,242)	3,861
Investment income	22	1,681	318
Other income	23	10,699	11,117
Less: Modarib's share of investment income	24	(4,335)	(3,949)
(Deficit) / surplus for the year		(4,197)	11,347
Operator's Fund - (OPF) Revenue account			
Wakala fee	25	70,904	62,969
Commission expense	26	(16,408)	(16,033)
General, administrative and management expenses	27	(78,175)	(62,072)
		(23,679)	(15,136)
Modarib's share of PTF investment income	24	4,335	3,949
Profit on bank accounts		179	279
Other expenses	28	(4,007)	(3,502)
Loss before income tax and levy		(23,172)	(14,410)
Levy	29	(2,920)	-
Loss before income tax		(26,092)	(14,410)
Taxation	30	-	-
Loss after income tax		(26,092)	(14,410)

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

**PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF COMPREHENSIVE INCOME**

For the year ended December 31, 2024

	2024	2023
	----- Rupees in '000 -----	
<u>Participants' Takaful Fund</u>		
(Deficit) / surplus for the year	(4,197)	11,347
Other comprehensive income		
Items that maybe reclassified subsequently to profit and loss account	940	1,325
Unrealized gain on available for sale investments	940	1,325
Total comprehensive (loss) / income for the year	(3,257)	12,672
<u>Operator's Fund</u>		
Loss for the year	(26,092)	(14,410)
Other comprehensive income	-	-
Total comprehensive loss for the year	(26,092)	(14,410)

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer Chairman Director Director Chief Financial Officer

**PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF CHANGES IN OPERATOR'S FUND AND
PARTICIPANTS' TAKAFUL FUND**

For the year ended December 31, 2024

	Operator's Fund		
	Statutory fund	Revenue reserve	Total
		Accumulated losses	
----- Rupees in '000 -----			
Balance as at January 01, 2023	50,000	(101,380)	(51,380)
Total comprehensive income for the year			
Loss for the year	-	(14,410)	(14,410)
Other comprehensive income	-	-	-
Balance as at December 31, 2023	<u>50,000</u>	<u>(115,790)</u>	<u>(65,790)</u>
Balance as at January 01, 2024	50,000	(115,790)	(65,790)
Total comprehensive income for the year			
Loss for the year	-	(26,092)	(26,092)
Other comprehensive income	-	-	-
Balance as at December 31, 2024	<u>50,000</u>	<u>(141,882)</u>	<u>(91,882)</u>
Participant's Takaful Fund			
	Ceded Money	Unrealised gain on available for sale Investments	Accumulated deficit
			Total
----- Rupees in '000 -----			
Balance as at January 01, 2023	500	(939)	(67,382)
Total comprehensive income for the year			
Surplus for the year	-	-	11,347
Other comprehensive income	-	1,326	-
Balance as at December 31, 2023	<u>500</u>	<u>387</u>	<u>(56,035)</u>
Balance as at January 01, 2024	500	387	(56,035)
Total comprehensive income for the year			
Deficit for the year	-	-	(4,197)
Other comprehensive income	-	940	-
Balance as at December 31, 2024	<u>500</u>	<u>1,327</u>	<u>(60,232)</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

Note	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
----- Rupees in '000 -----				
Operating activities				
a) Takaful activities				
Contribution received	-	-	161,202	119,974
Re-takaful contributions paid	-	-	(37,943)	(24,601)
Claims / benefit paid	-	-	(112,862)	(104,305)
Re-takaful and other recoveries received	-	-	14,434	4,905
Commissions (paid) / re-takaful rebate received	(15,231)	(13,914)	6,851	5,451
Wakala fees received	51,501	61,225	-	-
Wakala fees paid	-	-	(51,501)	(61,225)
Modarib share received / (paid)	4,335	3,949	(4,335)	(3,949)
Net cash inflows / (outflows) from takaful activities	40,605	51,260	(24,154)	(63,750)
b) Other operating activities				
General and administration expenses paid	(85,397)	(65,729)	(8,150)	(4,886)
Amounts due from other takaful / retakaful operators	-	-	26,730	14,858
Deposits and other receivables	152	72	11,643	18,688
Received from Premier Insurance Limited	56,804	33,618	-	-
Accrued salvage recoveries	-	-	6,750	(37)
Other liabilities settled	3,559	(17)	(6,000)	(1,989)
Net cash (outflows) / inflows from operating activities	(24,882)	(32,056)	30,973	26,634
Total cash inflows / (outflows) from all operating activities	15,723	19,204	6,819	(37,116)
Investment activities				
Accrued investment income	-	-	(362)	327
Bank profit received	179	279	10,699	11,117
Sale of investment - net	-	-	(4,532)	(1,327)
Total cash inflows from investing activities	179	279	5,805	10,117
Financing activities				
Qard-e-hasna contributions	(6,000)	(22,000)	6,000	22,000
Total cash inflows / (outflows) from investing activities	(6,000)	(22,000)	6,000	22,000
Net cash inflows / (outflows) from all activities	9,902	(2,517)	18,624	(4,999)
Cash and cash equivalents at beginning of the year	1,630	4,147	66,350	71,349
Cash and cash equivalents at the end of the year	14	11,532	84,974	66,350

**PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS
STATEMENT OF CASH FLOWS**
For the year ended December 31, 2024

Note	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
	----- Rupees in '000 -----			
Reconciliation to profit and loss account				
Operating cash flows	15,902	19,483	12,624	(26,999)
Investment income	-	-	1,681	318
(Decrease) / increase in assets other than cash	31,877	2,460	53,117	47,771
(Increase) / decrease in liabilities	(73,871)	(36,353)	(71,621)	(9,743)
(Loss) / profit for the year	(26,092)	(14,410)	(4,197)	11,347
Attributed to:				
Operator's Fund	(26,092)	(14,410)	-	-
Participants' Takaful Fund	-	-	(4,197)	11,347
	(26,092)	(14,410)	(4,197)	11,347

Definition of cash and cash equivalent

Cash comprises cash in hand, stamps in hand, current and saving accounts and short-term deposits having maturity of less than three months.

Cash for the purpose of the statement of cash flows consists of:

Cash and other equivalent				
Policy, revenue stamps and bond papers	-	-	-	-
Current and other accounts				
Current and savings accounts	11,532	1,630	84,974	66,350
Total cash and cash equivalent	14	11,532	1,630	84,974
		11,532	1,630	84,974
				66,350

The annexed notes from 1 to 40 form an integral part of these financial statements.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Premier Insurance Limited (the Operator) has been authorized to undertake Window Takaful Operations (WTO) on October 02, 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The operator of the Company is listed on the Pakistan Stock Exchange Limited (PSX). The registered office of the Company is situated at 5th Floor, State Life Building No. 2A, Wallace Road, Karachi.

For the purpose of carrying on the Takaful business, the Operator has formed a Waqf (Participants' Takaful Fund (PTF)) on October 31, 2015 under the Waqf Deed with a Seed money of Rs. 500,000. The Waqf Deed and PTF Policies (Waqf Rules) govern the relationship of Operator, Waqf and Participants for management of Takaful operations, investment of Waqf and Operator's Fund as approved by the Shariah Advisor of the Operator. The accounts of the Waqf are maintained by the Operator in a manner that the assets and liabilities of Waqf remain separately identifiable. The financial statements of the Operator are prepared in such a manner that the financial position and results from the operations of Waqf and the Operator are shown separately.

1.2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

Following are the geographical location and address of all the business units of the Operator:

Head office - Registered Office

5th Floor, State Life Building 2-A, Wallace Road, Off. I.I. Chundrigar Road, Karachi, Province of Sindh, Pakistan.

Branches

i) Province of Punjab, Pakistan:

- Zonal office, 162 Shadman II, Lahore
- CSD North, 162 Shadman II, Lahore
- Mall Branch, 23 Shahrah-e-Quaid-e-Azam, Lahore
- 4th Floor, Mehr Fatima Tower, Opp. High Court, Old Bahawalpur Road, Multan
- 1st Floor, Regency Arcade, 949-Mall Road, Faisalabad

ii) Province of Sindh, Pakistan:

- CSD South Karachi, 5th Floor State Life Building 2-A, Wallace Road, Off. I.I. Chundrigar Road, Karachi
- Clifton Branch, 5th Floor State Life Building 2-A, Wallace Road, Off. I.I. Chundrigar Road, Karachi

iii) Province of Khyber Pakhtunkhwa, Pakistan:

- 1081/A, Rehman Building, Saddar Road, Peshawar

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

iv) Islamabad Capital Territory

- 64-E 2nd Floor, Masco Plaza, Jinnah Avenue, Blue Area, Islamabad.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as 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 Regulations, 2019.

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

2.1.2 The Securities and Exchange Commission of Pakistan ("SECP") vide its S.R.O 1416(I)/2019 dated November 20, 2019 has prescribed format of the presentation of published financial statements for general takaful operator for takaful business.

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.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention basis unless otherwise stated.

2.3 Functional and Presentation Currency

These financial statements are presented in Pakistani Rupees ('Rs' or 'Rupees') which is also the Operator's functional and presentation currency.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2024

The following standards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Operator's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

The Institute of Chartered Accountants of Pakistan has issued IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes and defined two approaches for bifurcation of tax between current and minimum taxes. The Operator has adopted an approach to account for current tax calculated on taxable income using the notified tax rate as an income tax and minimum tax any amount over the current tax calculated on taxable income is accounted for as excess over the current tax and is recognised as a levy as per IFRIC 21 / IAS37.

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

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

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026
'Certain annual improvements have also been made to a number of IFRSs and IASs.	
'IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 01, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4.1 Takaful Contracts

Takaful contracts are those contracts under which the Operator as insurer has accepted takaful risk from the takaful 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 takaful contract, it remains an takaful contract for the remainder of its tenure, even if the takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

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

Fire and property damage

Fire and property takaful contracts mainly compensate the Operator 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 participant properties in their Business activities. These contracts are generally one year contracts except some contracts that are of three months period.

Marine, aviation and transport

Marine takaful 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. These contracts are generally for three months period.

Motor

Motor takaful provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident. These contracts are generally one year contracts.

Accident and health

Accident and health takaful contract mainly compensates hospitalization and out-patient medical coverage to the insured. These contracts are generally one year contracts.

Miscellaneous

Other various types of takaful contracts are classified in miscellaneous category which includes mainly engineering, terrorism, personal accident, worker compensation, travel, products of financial institutions, livestock and crop takaful etc. These contracts are normally one year takaful contracts except some engineering takaful contracts that are of more than one year period, whereas, normally travel takaful contracts expire within two months time.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

These contracts are provided to individuals as well as commercial organizations with various tenures according to the nature and terms of the contract and the needs of the insured.

The Operator neither issues investment contracts nor does it issue takaful contracts with discretionary participation features (DPF).

4.2 Investments

4.2.1 Classification and recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs.

4.2.2 Measurement

All purchase and sale of investments that require delivery within the required time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Operator commits to purchase or sell the investments. Investments are recognized and classified as follows:

4.2.3 Available-for-sale

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity, changes in interest rates or equity prices are classified as available-for-sale. These are valued as follows:

Quoted

Subsequent to initial recognition at cost, quoted investments are stated at the market value. Market value of open-ended mutual funds is determined by using MUFAP rates at the date of reporting.

4.2.4 Held-to-maturity

Investments with fixed maturity, where the operator has both the intent and the ability to hold to maturity, are classified as held-to-maturity.

Subsequently, these are measured at amortized cost. Premium paid or discount availed on the acquisition of held-to-maturity investment is deferred and amortized over the term of investment using the effective yield method.

Profit on held-to-maturity instruments is recognized on a time proportion basis taking into account the effective yield on the investments.

These are reviewed for impairment at each reporting period and losses arising, if any, are charged to the profit and loss account of the period in which they arise.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

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4.3 Financial Instruments

Financial assets and liabilities are recognized at the time when the Operator becomes a party to the contractual provisions of the instrument. All financial assets and financial liabilities are initially measured at cost which is the fair value of the consideration given and received respectively including transaction cost. These financial assets and liabilities are subsequently measured at fair value or cost, as the case maybe. Any gains or losses on de-recognition of financial assets and financial liabilities are taken to the profit and loss account.

4.4 Deferred commission expense /acquisition cost

Commission expenses are deferred and recognized as an asset in correlation with unearned contribution that is recognized in the subsequent reporting period to comply with the requirement of General Takaful Accounting Regulations, 2019 as an expense in accordance with the pattern of recognition of contribution.

4.5 Reserve for unearned contribution

The portion of contribution written relating to the unexpired period of coverage is recognized as unearned contribution by the Operator. The unearned portion of contribution income is recognized as a liability. The liability is calculated by applying 1/24 method as specified in the General Takaful Accounting Regulations, 2019.

4.6 Contribution deficiency reserve

The Operations is required as per General Takaful Accounting Regulation 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 re-takaful, from claims and other expenses, including re-takaful expense, commissions and other underwriting expenses, expected to be incurred after the reporting date in respect of policies in that class of business at the reporting date. The movement in the contribution deficiency reserve is recorded as an expense and the same shall be recognised as a liability.

The Operator determines adequacy of liability of contribution deficiency reserve by carrying out analysis of its loss ratio of expired periods. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned contribution reserve. Further, actuarial valuation has been carried out to determine amount of contribution deficiency reserve in respect of health takaful business as required by SRO 16 (I) of 2012 issued by SECP on dated January 09, 2012.

Provision has been made for Health business as the unearned contribution reserve for the class of business as at the year end is not 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 Participant's Membership Document in force at reporting date.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

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4.7 Retakaful contracts held

These are contracts entered into by the Operation with re-takaful operators for compensation of losses suffered on takaful contracts issued. These re-takaful contracts include both facultative and treaty arrangement contracts and are classified in same categories of takaful contracts for the purpose of these financial statements. The PTF recognise the entitled benefits under the contracts as various retakaful assets. Re-takaful contribution is recognised as an expense when retakaful is ceded. Retakaful assets and liabilities are derecognised when contractual right are extinguished or expired.

The deferred portion of re-takaful contribution is recognized as a prepayment in PTF. The deferred portion of re-takaful contribution ceded is calculated by using twenty-fourths method.

4.8 Receivables and payables related to takaful contracts

Receivables including contribution due but unpaid relating to takaful contracts are recognized when due. The claim payable is recorded when intimation is received. These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any. Contribution received in advance is recognised as liability till the time of issuance of takaful contract there against.

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

4.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, stamps in hand, current and PLS accounts and short term deposits having maturity of less than three months.

4.10 Provision for outstanding claims including Incurred But Not Reported (IBNR)

Provision for outstanding claims include amounts in relation to unpaid reported claims, claims incurred but not reported (IBNR) and expected claims settlement costs.

Outstanding claims

The amount of claims that have been reported and are yet unpaid or partially unpaid at the end of reporting year for a given accident year.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

A liability for outstanding claims (claim incurred) is recognized for all claims incurred which represents the estimates of the claims intimated or assessed before the end of the reporting period and measured at the undiscounted value of expected future payments. Provision for liability in respect of unpaid reported claims is made on the basis of individual case estimates while taking into consideration the past claims settlement experience including handling costs and the Operation's reserving policy. Where applicable, deductions are made for salvage and their recoveries.

Retakaful recoveries against outstanding claims and salvage recoveries are recognized as an asset and measured at the amount expected to be received.

Incurred But Not Reported (IBNR) Claims

The losses that have incurred or are in the occurrence period at the end of reporting year and have not been intimated to the Operator by that end of reporting year, or if reported, complete details are not available to the Operator, so as to ascertain the amount of loss for that claim as claims outstanding.

The Operations is required, as per SECP circular no. 9 of 2016 dated March 09, 2016 "Guidelines for Estimation of Incurred but not reported claims reserve, 2016" to estimate and maintain the provision for claims incurred but not reported for each class of business by using prescribed Method "Chain Ladder Method" and other alternate method as allowed under the provisions of the Guidelines. The actuarial valuation as at December 31, 2024 has been carried out by independent firm of actuaries for determination of IBNR for each class of business.

4.11 Other creditors and accruals

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 goods and services received, whether or not billed to the Operator.

4.12 Offsetting of financial assets and liabilities

A financial asset and financial liability other than those relating to takaful contract is offset and the net amount is reported in the statement of financial position when the Operator has a legally enforceable right to set-off the recognized amounts and it intends either to settle on the net basis or to realize the asset and settle the liability simultaneously.

4.13 Contingencies

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

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4.14 Revenue recognition

a) Contribution / underwriting result

Contribution written, including administrative surcharge, under a policy is recognized from the date of issuance of the participant membership document to which it relates.

The earned contribution less retakaful rebate, claims, direct expenses and wakala fee are reflected in the profit or loss account as the underwriting result.

b) Wakala fee

Wakala fee is recognized as income in the Operator's Fund on the same basis on which the related contribution revenue is recognized. Unearned portion of wakala fee is recognized as a liability of the Operator's Fund.

c) Retakaful rebate

Retakaful rebate from retakaful operators is recognized on a quarterly basis as per terms and conditions agreed with the retakaful operators.

d) Profit on Islamic investment products

Profit on Islamic investment products is recognized on an accrual basis.

e) Dividend income

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

f) Gain / loss on sale of available for sale investments

Gain / loss on sale of available for sale investments are included in profit or loss account.

4.15 Taxation- Income tax and levy

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Operator's profit and loss account in accordance with Rule 12 of Takaful Rule 2012, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Operator, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Levy

In accordance with Income Tax Ordinance, 2001 (Ordinance), computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year of the Operator's Fund, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable if any in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the Operator's Fund under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax liability, as applicable, after taking into account tax credits and tax rebates available, if any.

Deferred tax

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Operator recognises a deferred tax asset to the extent of taxable timing differences or it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The taxation of the Operator's Fund is calculated by including in the Operation's results as a whole and accordingly taxation has been recorded.

4.16 Takaful surplus

Takaful surplus attributable to the participants is calculated after charging all direct cost and setting aside various reserves. Allocation to participants, if applicable, is made after deducting the claims / benefits paid to them during the year.

4.17 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 the 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 assets fair value less cost to sell and value in use. Impairment losses are recognised in profit and loss account.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Impairment is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investments classified as available-for-sale below its cost is also considered an objective evidence of impairment. Impairment losses are reversed when there is an indication that impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. However, in case of equity securities classified as available for sale the decrease in impairment loss is not reversed.

4.18 Management expenses

Expenses allocated to the takaful business represent directly attributable expenses. Expenses not directly allocable to takaful business are charged to OPF and allocated on the basis of gross contribution written during the year.

4.19 Qard-e-hasna

Qard-e-Hasna is provided by OPF to PTF in case of deficit in PTF.

4.20 Modarib fee

The Operator also manages the participants' investment as modarib and charges 35.00% (2023: 35.00%) of investment income and bank deposits earned by the PTF as Modarib fee. It is recognized on the same basis on which related revenue is recognized.

4.21 Segment reporting

An operating segment is a component of the Operator that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Operator's other components. All operating segments' results are reviewed regularly by the Operator's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Operator presents segments reporting of operating results using the classes of business as specified under the General Takaful Accounting Regulations, 2019. The reported operating segments are also consistent with the internal reporting process of the Company 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. All the Company's business segments operate in Pakistan only.

Based on its classification of takaful contracts issued, the Operator has five primary business segments for reporting purposes namely fire, marine, motor, accident and health and miscellaneous. The nature and business activities of these segments are disclosed in note 32.

Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

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For the year ended December 31, 2024

4.22 Change in accounting policy

Previously, sum of current tax expense calculated as per applicable tax laws, prior year tax expense and deferred tax was recorded as income tax expense.

During the year, the Institute of Chartered Accountant of Pakistan has issued the guidance for accounting of minimum and final taxes through circular No. 7/2024 dated May 15, 2024 and defined following two approaches:

Approach 1: Designate the amount calculated as tax on gross amount of revenue or other basis as a levy within the scope of IFRIC 21/IAS 37 and recognize it as an operating expense. Any excess over the amount designated as a levy is then recognized as current income tax expense falling under the scope of IAS 12.

Approach 2: Designate the amount of tax calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

The Operator has adopted approach 2 for recording levy which is calculated as tax on gross amount of revenue. The change does not have any material impact on the statement of financial position, profit and loss account, the statement of comprehensive income and the statement of changes in funds.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1. ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to use certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Operator's accounting policies. Estimates and judgments are continuously evaluated and are based on historical experience and expectation of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements in conformity with approved accounting standards requires management to use certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Operator's accounting policies. Estimates and judgments are continuously evaluated and are based on historical experience and expectation of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. The areas where required assumptions and estimates are significant to the financial statements or where judgment was exercised in application of accounting policies are as follows:

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

- a) provision for investments (note 4.2);
- b) provision for unearned contribution (note 4.5);
- c) contribution deficiency reserve (note 4.6);
- d) provision for contribution due but unpaid and amount due from other takaful / re-takaful operators; (note 4.8)
- e) provision for outstanding claims including IBNR and re-takaful recoveries there against (note 4.10);
- f) provision for unearned wakala fee (note 4.14).
- g) taxation (note 4.15);
- h) impairment (note 4.17);

6. DISCLOSURES RELATED TO TEMPORARY EXEMPTION FROM INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS) 9

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement consideration for the time value of money and credit risk are typically the most significant elements of interest. IFRS 9 defines the terms principal as being the fair value of the financial asset at initial recognition and the interest as being compensation for (i) the time value of money and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The debt instruments accounted for fair value through other comprehensive income under IAS 39 are potentially eligible to SPPI test whereas it is not applicable for the debt instruments accounted for fair value through profit or loss.

The tables below set out the fair values on gross basis 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 fair value through profit or loss in IFRS 9.
- b)** all other financial assets.

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Operator's Fund	December 31, 2024				
	Fail the SPPI Test		Pass the SPPI Test		
	Fair value	Change in unrealized gain or (loss) during the year	Carrying Value	Cost less impairment	Change in unrealized gain or (loss) during the year
----- (Rupees) -----					
Financial assets	-	-	-	-	-
Cash and bank	-	-	11,532	-	-
TOTAL	-	-	11,532	-	-

Participant's Takaful Fund	December 31, 2024				
	Fail the SPPI Test		Pass the SPPI Test		
	Fair value	Change in unrealized gain or (loss) during the year	Carrying Value	Cost less impairment	Change in unrealized gain or (loss) during the year
----- (Rupees) -----					
Financial assets	-	-	-	-	-
Investments					
- Mutual funds - available for sale	8,720	1,795	-	-	-
- Term Deposits	-	-	600	-	-
other receivables*	-	-	786	-	-
Cash and bank	2,061	-	82,850	-	-
TOTAL	10,781	1,795	84,236	-	-

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

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For the year ended December 31, 2024

7. INVESTMENTS IN MUTUAL FUNDS - PTF

	2024			2023		
	Cost	Impairment / provision for the year	Carrying value	Cost	Impairment / provision for the year	Carrying value
----- Rupees in '000 -----						
Available for sale						
Mutual fund units	8,720	-	10,515	7,365	-	8,220
	8,720	-	10,515	7,365	-	8,220

8. INVESTMENTS IN TERM DEPOSITS - PTF

	2024			2023		
	Cost	Impairment / provision for the year	Carrying value	Cost	Impairment / provision for the year	Carrying value
----- Note ----- Rupees in '000 -----						
Held to maturity						
Term deposit receipt	8.1	600	-	600	600	-
		600	-	600	600	-

- 8.1 This represents a term deposit with a bank having profit at the average rate of 11.93% per annum (2023: 10.75%) Maturing on May 02, 2025.

9. QARD-E-HASNA CONTRIBUTED TO PTF

	2024	2023
----- Rupees in '000 -----		
As at January 01 2024		
Qard-e-Hasna contributed during the year	93,903	71,903
As at December 31 2024	6,000	22,000
	99,903	93,903

- 9.1. In accordance with takaful rules 2012, if at any point in time, assets in participant takaful fund (PTF) are not sufficient to cover its liabilities, the deficit shall be funded by way of profit free loan, (Qard-e-Hasna) from operator fund (OPF). In the event of future surplus in the participant takaful fund to which a qard-e-hasna has been made, the qard-e-hasna shall be repaid prior to distribution of surplus to participants.
- 9.2. During the year, the Operator has prepared financial projections of PTF and based on such financial projections believes that the PTF would be able to repay Qard-e-Hasna to Operator's Fund. The financial projections are based on various assumptions including expected growth in premiums and reduction in claims over future years.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

10. OTHER RECEIVABLES

Unsecured and considered good

	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
	----- Rupees in '000 -----			
Profit receivable	6	16	786	1,148
Federal excise duty	444	292	5,173	4,514
Federal takaful fee			99	99
Others	-	-	46,183	35,199
	<u>450</u>	<u>308</u>	<u>52,241</u>	<u>40,960</u>

10.1. This represents advance given to party to settle health claims on behalf of policy holders.

11. RECEIVABLE FROM PTF

	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
	----- Rupees in '000 -----			
Wakala fee receivable	<u>44,848</u>	<u>16,145</u>	<u>-</u>	<u>-</u>
	<u>44,848</u>	<u>16,145</u>	<u>-</u>	<u>-</u>

12. TAKAFUL / RETAKAFUL RECEIVABLES - Unsecured and considered good

	Note	2024	2023
		----- Rupees in '000 -----	
Due from takaful participants' holders		61,746	41,487
Less: Provision for impairment of receivables from takaful participants' holders		(5,714)	(5,714)
		<u>56,032</u>	<u>35,773</u>
Amounts due from other takaful / retakaful operators	12.1	29,140	22,669
		<u>85,172</u>	<u>58,442</u>

12.1 The Operator has co-takaful and re-takaful arrangements with various takaful operators and re-takaful companies. Under the above arrangements, the receivable and payable balance is due when contribution collected or claims settled by the lead operator on behalf of other co-operators, and in case of re-takaful, the contribution ceded to and claims recoverable from the re-takaful operator under the respective contracts. As per the prevailing industry practices, settlements of balances under co-takaful arrangements are done between the respective takaful operators in normal course of business. The Operator represents that the current balances of co-takaful and re-takaful reflected in the records of the Operator are based on the underlying contracts and transactions supported by appropriate evidence. In this regard, the Operator exchanged balance information with various co-takaful based on significance of the balances and the re-takaful. This information corroborates the balance position of the Operator in all material respects.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Participant's Takaful Fund

2024 2023

----- Rupees in '000 -----

13. PREPAYMENTS

Prepaid retakaful contribution ceded
Other prepaid expense

15,643	12,862
1,009	793
16,652	13,655

14. CASH AND BANK

Note	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
----- Rupees in '000 -----				
Cash and cash equivalent				
Policy, revenue stamps and bond papers	-	-	63	39
Cash at bank				
Current accounts	-	-	2,061	409
Profit and loss sharing accounts	14.1	11,532	82,850	65,902
		11,532	84,974	66,350

14.1 The rate of return on profit and loss sharing accounts held with Islamic banks during the year range from 5.01% to 17.38% per annum (2023: 3.81% to 17.00%).

Participant's Takaful Fund

2024 2023

----- Rupees in '000 -----

15. PAYABLE TO OPF

Wakala fee payable

44,848	16,145
44,848	16,145

16. OTHER CREDITORS AND ACCRUALS

Note	Operator's Fund		Participant's Takaful Fund	
	2024	2023	2024	2023
----- Rupees in '000 -----				
Due to Premier Insurance Limited	16.1 196,359	139,555	-	-
Federal takaful fee	-	-	-	-
Sales tax on services	-	-	2,647	16
Commission payable	19,077	14,869	-	-
Auditor's fee	422	398	-	-
Others	3,015	(520)	7,138	3,769
	218,873	154,302	9,785	3,785

16.1. This represents payable to Premier Insurance Limited in respect of allocation of common expenses.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

17. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2024 (2023: Nil).

	2024	2023
----- Rupees in '000 -----		
18. NET CONTRIBUTION		
Written gross contribution	233,620	184,457
Less: Wakala fee	<u>(70,904)</u>	<u>(62,969)</u>
Contribution net of Wakala fee	162,716	121,488
Add: Unearned contribution reserve opening	88,051	83,119
Less: Unearned contribution reserve closing	<u>(114,619)</u>	<u>(88,051)</u>
Contribution earned	136,148	116,556
Less: Retakaful contribution ceded	34,864	29,923
Add: Prepaid retakaful contribution opening	12,862	10,573
Less: Prepaid retakaful contribution closing	<u>(15,643)</u>	<u>(12,862)</u>
Retakaful expense	32,083	27,634
Net contribution	<u>104,065</u>	<u>88,922</u>

19. RETAKAFUL REBATE - PTF

	2024	2023
----- Rupees in '000 -----		
Rebate from re-takaful received	6,851	5,451
Add: Deferred rebate opening	2,484	2,054
Less: Deferred rebate closing	<u>(3,413)</u>	<u>(2,484)</u>
Retakaful rebate earned	5,922	5,021

20. NET CLAIMS EXPENSE

	2024	2023

Claims paid or payable	112,862	104,304
Less: Outstanding claims including IBNR opening	<u>(54,901)</u>	<u>(59,670)</u>
Add: Outstanding claims including IBNR closing	65,211	54,901
Claims expense	123,172	99,535
Less: Retakaful and other recoveries received	14,434	4,906
Less: Retakaful recoveries against outstanding claims - opening	<u>(15,202)</u>	<u>(6,930)</u>
Add: Retakaful recoveries against outstanding claims - closing	8,867	15,202
Retakaful and other recoveries revenue	8,099	13,177
Net claims expense	<u>115,073</u>	<u>86,358</u>

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

20.1 Claim Development

The Operator 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.

Accident Year	CLAIMS DEVELOPMENT TABLE (PKR)								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
----- (Rupees in '000) -----									
Estimate of ultimate claims cost:									
At end of accident year	70,403,497	94,439,434	84,202,190	77,426,863	68,305,942	99,559,115	132,094,285	119,318,533	143,963,476
One year later	74,899,824	92,291,318	87,485,296	85,070,173	56,612,926	86,517,409	114,903,771	101,965,442	
Two years later	75,196,357	87,981,990	84,959,018	83,937,705	57,156,925	86,918,492	112,762,055		
Three years later	72,604,786	87,756,475	84,858,171	84,269,484	56,990,494	86,126,219			
Four years later	72,549,770	87,430,590	84,190,297	83,937,254	56,648,754				
Five years later	72,547,285	87,828,038	84,016,858	83,750,982					
Six years later	72,903,288	87,799,503	84,032,761						
Seven years later	72,951,662	87,809,101							
Eight years later	72,951,662								
Current estimate of cumulative claims	72,951,662	87,809,101	84,032,761	83,750,982	56,648,754	86,126,219	112,762,055	101,965,442	143,963,476
Cumulative payments till date	72,628,151	84,809,655	83,127,916	83,471,793	55,697,496	84,256,410	110,536,163	99,559,765	92,759,639
Liability recognised in statement financial position	323,511	2,999,446	904,845	279,189	951,258	1,869,809	2,225,892	2,405,677	51,203,837

2024 2023

----- Rupees in '000 -----

21. DIRECT EXPENSES - PTF

Tracking services	100	415
Service charges	6,943	4,943
Others	644	(120)
	<u><u>7,687</u></u>	<u><u>5,238</u></u>

22. INVESTMENT INCOME - PTF

Income from mutual funds		
Realized gain on sale of mutual fund units	-	123
Dividend income	1,605	144
Income from term deposits		
Return on term deposits	76	51
	<u><u>1,681</u></u>	<u><u>318</u></u>

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024	2023
		----- Rupees in '000 -----	
23. OTHER INCOME - PTF			
Profit on bank deposits		10,699	11,117
24. MODARIB FEE			
The operator manage the participants' investments as a Modarib and charge 35% (2023: 35%) Modarib's share of the investment income earned by PTF.			
25. WAKALA FEE - OPF			
Gross wakala fee		80,204	64,578
Add: Deferred wakala expenses-opening		30,827	29,218
Less: Deferred wakala expenses-closing		(40,127)	(30,827)
Net wakala fee		70,904	62,969
The Operator manages the general takaful operations for the participants and charges 35% for all class of business (2023: 35%) of the gross contribution written as wakala fee against the services.			
26. COMMISSION EXPENSE - OPF			
Commission paid or payable		19,439	15,057
Add: Deferred commission opening		7,353	8,329
Less: Deferred commission closing		(10,384)	(7,353)
Commission expense		16,408	16,033
27. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES - OPF			
Employee benefit cost		64,818	52,217
Rent, rates and taxes		1,568	698
Communications		593	532
Fuel and power		3,371	2,087
Travelling expenses		978	1,058
Entertainment		822	725
Advertisements and sales promotions		895	948
Repair and maintenance		1,620	1,155
Printing and stationery		807	696
Vehicle running expenses		1,189	463
Annual supervision fee SECP		254	267
Miscellaneous		1,260	1,226
		78,175	62,072
28. OTHER EXPENSES - OPF			
Auditors' remuneration	28.1	556	507
Fees and subscription		3,451	2,995
		4,007	3,502

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024	2023
----- Rupees in '000 -----		
28.1 Auditors' remuneration		
Audit fee	298	257
Interim review	108	108
Shariah audit	150	142
	<u>556</u>	<u>507</u>
29. LEVY		
Minimum tax differential	<u>2,920</u>	-

29.1 This represents portion of minimum tax paid under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

30. TAXATION

Current

30.1 The relationship between tax expense and accounting profit has not been presented in these financial statements as the income of the Operator is subject to tax under section 113 of the Income Tax Ordinance, 2001.

31. RELATED PARTY TRANSACTIONS - PTF

Related parties comprise associated companies, entities under common control, entities with common directors, major shareholders, directors, key management personnel and funded employee retirement benefit schemes.

Details of the balances and transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:

	2024	2023
----- Rupees in '000 -----		
Transactions during the year		
Associated companies		
Contribution underwritten	8,518	12,220
Contribution received	7,716	8,360
Claims paid	5,101	5,663
Commission paid	-	-
Year end balances		
Associated companies		
Contribution receivable	3,714	2,016
Claims outstanding	1,314	753
Commission outstanding	59	59

31.1 Operator's contribution toward staff provident fund during the year is Rs.1.679 million (2023: 1.504 million).

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

32. SEGMENT INFORMATION

32.1 Participants Takaful Fund

Segment profit and loss

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
----- Rupees in '000 -----												
Contribution receivable (inclusive of Federal Excise Duty / Sales Tax, Federal Takaful Fee and Administrative surcharge)	26,057	22,360	10,710	9,758	111,827	98,006	109,299	68,089	2,613	3,456	260,506	201,669
Less: Federal excise duty	3,022	2,482	1,142	1,007	14,014	11,528	6,167	-	281	417	24,626	15,434
Less: Federal takaful fee	202	168	92	86	926	820	1,021	674	19	30	2,261	1,778
Gross written contribution (inclusive of administrative surcharge)	22,832	19,710	9,477	8,665	96,887	85,658	102,111	67,415	2,313	3,009	233,619	184,457
Gross direct contribution Facultative inward contribution Administrative surcharge	20,013	16,608	8,755	8,336	89,793	79,295	101,996	67,340	2,232	2,976	222,789	174,556
	2,584	2,939	319	-	4,252	3,644	-	-	-	-	7,155	6,583
	235	163	403	329	2,842	2,719	115	75	81	33	3,675	3,318
Less: Wakala expense	(6,524)	(6,920)	(3,077)	(2,882)	(30,216)	(30,417)	(26,199)	(21,673)	(4,888)	(1,078)	(70,904)	(62,969)
Takaful contribution earned Takaful contribution ceded to retakaful operators	19,993	19,745	8,965	8,234	88,700	86,905	85,957	61,923	3,437	2,718	207,052	179,525
Net takaful contribution	(14,350)	(12,940)	(6,815)	(5,696)	(9,100)	(7,991)	-	-	(1,818)	(1,007)	(32,083)	(27,634)
	(881)	(115)	(927)	(344)	49,384	48,497	59,758	40,250	(3,269)	633	104,065	88,922
Rebate earned	3,386	2,963	1,597	1,237	512	591	-	-	427	230	5,922	5,021
Net underwriting income	2,505	2,848	670	893	49,896	49,088	59,758	40,250	(2,842)	863	109,987	93,943
Takaful claims Takaful claims recovered from retakaful	(6,660)	(2,558)	(2,473)	(622)	(32,713)	(51,842)	(80,965)	(43,522)	(361)	(991)	(123,172)	(99,535)
Net claim	4,466	1,509	1,670	355	1,877	11,107	-	-	86	206	8,099	13,177
	(2,194)	(1,049)	(803)	(267)	(30,836)	(40,735)	(80,965)	(43,522)	(275)	(785)	(115,073)	(86,358)
Contribution deficiency reserve Other direct expense	-	-	-	-	-	-	531	1,514	-	-	531	1,514
	(167)	(77)	(74)	(32)	(742)	(339)	(6,674)	(4,778)	(29)	(11)	(7,687)	(5,238)
(Deficit) / surplus before investment income	144	1,722	(207)	594	18,318	8,014	(27,351)	(6,537)	(3,146)	67	(12,242)	3,861
Investment income Other Income Less: Modarib's share of investment income (Deficit) / surplus for the year											1,681	318
											10,699	11,117
											(4,335)	(3,949)
											(4,197)	11,347

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

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Segment assets and liabilities

The following presents segments assets and liabilities as at December 31, 2024 and December 31, 2023:

	Rupees in '000											
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023

Segment assets	15,435	12,661	6,406	5,566	65,496	55,022	69,028	43,304	1,564	1,933	157,928	118,486
Unallocated corporate assets											148,330	116,031
Total assets											306,258	234,517
Segment liabilities	20,440	18,637	8,484	8,193	86,737	80,995	91,414	63,745	2,071	2,845	209,145	174,416
Unallocated corporate liabilities											55,618	21,347
Total liabilities											264,763	195,763

32.2 Operators Fund

Segment profit and loss

	Rupees in '000											
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023

Wakala fee earned	6,524	6,920	3,077	2,882	30,216	30,417	26,199	21,673	4,888	1,078	70,904	62,969
Commission expense	(2,313)	(2,563)	(558)	(566)	(10,102)	(10,790)	(3,157)	(1,650)	(279)	(465)	(16,408)	(16,033)
Management expense	(7,549)	(6,827)	(3,385)	(2,847)	(33,490)	(30,048)	(32,454)	(21,410)	(1,298)	(939)	(78,175)	(62,072)
	(3,338)	(2,470)	(866)	(531)	(13,376)	(10,421)	(9,412)	(1,387)	3,312	(326)	(23,679)	(15,136)
Modarib's share of PTF investment income											4,335	3,949
Investment income											-	-
Profit on bank deposits											179	279
Other expenses											(4,007)	(3,502)
Loss before taxation											(23,172)	(14,410)

Segment assets and liabilities

The following presents segments assets and liabilities as at December 31, 2024 and December 31, 2023:

	Rupees in '000											
	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023

Segment assets	1,015	786	421	345	4,306	3,415	4,539	2,687	103	120	10,385	7,354
Unallocated corporate assets											156,732	111,985
Total assets											167,117	119,339
Segment liabilities	3,922	3,294	1,628	1,448	16,641	14,315	17,539	11,267	397	503	40,127	30,827
Unallocated corporate liabilities											218,873	154,302
Total liabilities											259,000	185,129

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

33. MOVEMENT IN INVESTMENTS

	PTF		
	Available for sale	Held to maturity	Total
	----- Rupees in '000 -----		
As at January 01, 2023	4,630	600	5,230
Addition	9,142	2,400	11,542
Disposal (sale and redemption)	(6,877)	(2,400)	(9,277)
Designated at available for sale upon initial recognition	1,325	-	1,325
As at December 31, 2023	8,220	600	8,820
As at January 01, 2024	8,220	600	8,820
Addition	7,947	2,400	10,347
Disposal (sale and redemption)	(6,592)	(2,400)	(8,992)
Designated at available for sale upon initial recognition	940	-	940
As at December 31, 2024	10,515	600	11,115

34. MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

Due to overall uncertain economic situation , the overall impact on the Company's financial position and financial performance cannot be predicted with reasonable certainty. The management continues to monitor the developing situation and would proactively manage any risk arising thereof.

34.1 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 re-takaful 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.

Re-takaful arrangements in place include treaty and facultative arrangements, on proportional and non-proportional basis and also include catastrophe cover. The effect of such re-takaful arrangements is that the PTF may not suffer ultimate net takaful losses beyond the PTF's risk appetite in any one year.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

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The Operator's arrangement of re-takaful is diversified such that it is neither dependent on a single re-takaful operator nor the operations of the Operator are substantially dependent upon any single re-takaful contract. The Operator obtains re-takaful 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 re-takaful 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 re-takaful policy to reduce such exposures to levels acceptable to the Operator.

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

Class	2024	2023
----- Rupees in '000 -----		
Fire and property damage	742,809	2,657,115
Marine, aviation and transport	682,486	750,000
Motor	46,800	50,000
Health	1,949	1,200
Miscellaneous	22,000	38,383

Since the Operator operates in Pakistan only, hence, all the takaful risks relate to policies written in Pakistan.

b) Sources of Uncertainty in the estimation of future claims payments

Claims on general takaful contracts are payable on a claim occurrence basis. The PTF is liable for all covered events that occur during the term of the takaful contract including the event reported after the expiry of the takaful contract term.

An estimated amount of the claim is recorded immediately on the intimation to the operations. The estimation of the amount is based on operator's judgment or preliminary assessment by the independent surveyor appointed for this purpose. The initial estimates include expected settlement cost of the claims.

There are several variable factors which affect the amount and timing of recognized claim liabilities. The operations takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be significantly different from initial recognized amount.

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

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During the year actuarial valuation is carried out for the determination of IBNR which is based on a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation as required / allowed by the circular 9 of 2016. IBNR is determined by using Chain Ladder Method for all class of business. The claims outstanding and claims paid till date are deducted from the ultimate claim payments for that particular year to derive an IBNR estimate for that year. IBNR triangles are made on a yearly basis for each class of business. The methods used, and the estimates made, are reviewed regularly.

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

The loss ratios estimated on these basis for the unexpired portion are as follows:

	2024	2023
----- Rupees in '000 -----		
Class		
Fire and property damage	-33%	-13%
Marine, aviation and transport	-28%	-8%
Motor	-37%	-60%
Accident and Health	-94%	-70%
Miscallenous	-11%	-36%

d) Changes in assumptions

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

e) Sensitivity analysis

The Operator believes that the claim liabilities under takaful contracts outstanding at the period 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 analyzed 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.

	PTF			
	2024		2023	
	Revenue	Equity	Revenue	Equity
----- Rupees in '000 -----				
Impact of change in claim liabilities by + 10%				
Fire and property damage	(482)	(482)	(534)	(534)
Marine, aviation and transport	(328)	(328)	(151)	(151)
Motor	(2,830)	(2,830)	(2,851)	(2,851)
Health	(2,721)	(2,721)	(1,675)	(1,675)
Miscellaneous	(160)	(160)	(280)	(280)
	(6,521)	(6,521)	(5,491)	(5,491)

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

34.2 Financial risk management objectives and policies

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

- Market risk
- Credit risk
- Liquidity risk

34.2.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of interest rate risk, foreign currency risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

The Operator limits market risk by investing in instruments carrying low risk and actively monitors the key factors that affect the underlying value of these instruments.

34.2.1.1 Financial risk

Maturity profile of financial assets and liabilities:

OPF	Profit bearing			Non - profit bearing			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 '000							
Financial assets							
Investments	-	-	-	-	-	-	-
Loans and other receivables	-	-	-	44,854	-	44,854	44,854
Cash and bank	-	11,532	11,532	-	-	-	11,532
December 31, 2024	-	11,532	11,532	-	44,854	-	56,386
Financial liabilities							
Other creditors and accruals	-	-	398	422	218,451	218,873	218,873
December 31, 2024	-	-	398	422	218,451	218,873	218,873
PTF	Profit bearing			Non - profit bearing			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 '000							
Financial assets							
Investments	600	10,515	11,115	-	-	-	11,115
Loans and other receivables	-	-	-	46,969	-	46,969	46,969
Takaful receivables	-	-	-	85,172	-	85,172	85,172
Retakaful recoveries against outstanding claims	-	-	-	8,867	-	8,867	8,867
Salvage recoveries accrued	-	-	-	7,110	-	7,110	7,110
Cash and bank	-	82,850	82,850	2,124	-	2,124	84,974
December 31, 2024	600	93,365	93,965	150,242	-	150,242	244,207
Financial liabilities							
Claims payable	-	-	-	65,211	-	65,211	65,211
Other creditors and accruals	-	-	-	9,785	-	9,785	9,785
Takaful payables	-	-	-	25,902	-	25,902	25,902
December 31, 2024	-	-	-	100,898	-	100,898	100,898

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Profit bearing			Non - profit bearing			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 '000								
OPF								
Financial assets								
Investments	-	-	-	-	-	-	-	
Loans and other receivables	-	-	-	16,161	-	16,161	16,161	
Cash and bank	-	1,630	1,630	-	-	-	1,630	
31 December 2023	1,630	1,630	16,161	-	16,161	17,791		
Financial liabilities								
Other creditors and accruals	-	-	-	398	153,904	154,302	154,302	
31 December 2023	-	-	-	398	153,904	154,302	154,302	
PTF								
Financial assets								
Investments	600	8,220	8,820	-	-	-	8,820	
Loans and other receivables	-	-	-	36,347	-	36,347	36,347	
Takaful receivables	-	-	-	58,442	-	58,442	58,442	
Retakaful recoveries against outstanding claims	-	-	-	15,213	-	15,213	15,213	
Cash and bank	-	65,902	65,902	448	-	448	66,350	
31 December 2023	600	74,122	74,722	110,450	-	110,450	185,172	
Financial liabilities								
Claims payable	-	-	-	55,372	-	55,372	55,372	
Other creditors and accruals	-	-	-	3,687	-	3,687	3,687	
Takaful payables	-	-	-	28,981	-	28,981	28,981	
31 December 2023	-	-	-	88,040	-	88,040	89,040	

34.2.1.2 Profit rate risk

Profit rate risk is the risk that the value of a financial instrument will fluctuate due to change in the market profit rate.

The information about the Operation's exposure to profit rate risk based on contractual repricing or maturity dates whichever is earlier is as follows:

All financial assets of the operations are non profit bearing except for cash and bank deposits ranging profit from 5.01% to 17.38% (2023: 3.81% to 17%).

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

34.2.1.3 Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Operations, at present, is not materially exposed to currency risk as majority of the transactions are carried out in Pak Rupees.

34.2.1.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Operations at present, is not materially exposed to other price risk.

34.3 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.

The Risk Management function is regularly conducting detailed analysis on sectors/industries and identify the degree by which the company's policy holder and their businesses have been impacted. Keeping in view short term and long term outlook of each sector, management has taken into consideration the factors while determining required provisions against financial assets where required.

The carrying amounts of the following financial assets represent the maximum exposure to credit risk:

	2024	2023	2024	2023
	OPF	PTF	Rupees in '000	
Financial assets:				
Bank balances	11,532	1,630	84,974	66,350
Takaful / retakaful receivables	-	-	85,172	58,442
Retakaful recoveries against outstanding claims	-	-	8,867	15,202
Prepayments	-	-		
Deposits and other receivables	11,532	1,630	179,013	139,994

The credit quality of Operator's bank balances and deposits can be assessed with reference to external credit ratings.

Bank	Rating agency	2024	
		Short term	Long term
Meezan Bank Limited	VIS	A-1+	AAA
Bank Islami Pakistan Limited	PACRA	A-1	AA-
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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.

	2024	2023
	----- Rupees in '000 -----	
Up to 1 year	46,848	34,265
1 - 2 years	7,933	121
2 - 3 years	(323)	338
Over 3 years	7,290	6,764
	<u><u>61,746</u></u>	<u><u>41,488</u></u>

The age analysis of contribution due but unpaid from related parties is as follows:

Up to 1 year	2,378	6,534
1 - 2 years	3,311	(871)
2 - 3 years	(802)	-
Over 3 years	-	-
	<u><u>4,887</u></u>	<u><u>5,663</u></u>

The credit quality of claim recoveries from retakaful operators can be assessed with reference to external credit ratings.

	Amount due from reinsurance operators	Reinsurance recoveries against outstanding claims	Other reinsurance asset	2024	2023
	----- Rupees in '000 -----				
A or above (including PRCL)	24,849	7,093	10,290	42,232	40,615
BBB	915	1,773	2,572	5,260	9,264
Others	3,376	-	-	3,376	865
Total	<u><u>29,140</u></u>	<u><u>8,866</u></u>	<u><u>12,862</u></u>	<u><u>50,868</u></u>	<u><u>50,744</u></u>

34.4 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 out-flows and expected re-takaful 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.

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

The table below provides the maturity analysis of the Operator's liabilities as at the reporting date. All liabilities are presented on a contractual cash flow basis except for the provision of outstanding claims (including IBNR), which are presented with their expected cash flows.

	2024			
	OPF		PTF	
	Upto one year	more than one year	Upto one year	more than one year
----- (Rupees in '000) -----				
Claims payable	-	-	65,211	-
Other creditors and accruals	218,873	-	9,785	-
Takaful payables	-	-	25,902	-
Total	218,873	-	100,898	-

	2023			
	OPF		PTF	
	Upto one year	more than one year	Upto one year	more than one year
----- (Rupees in '000) -----				
Claims payable	-	-	54,900	-
Other creditors and accruals	154,302	-	3,686	-
Takaful payables	-	-	28,981	-
Total	154,302	-	87,567	-

35. STATEMENT OF SOLVENCY

2024
Rupees in
'000

Assets

Investments	11,115
Loans and other receivables	52,241
Takaful / retakaful receivables	85,172
Retakaful recoveries against outstanding claims	8,867
Salvage recoveries accrued	7,110
Deferred wakala expense	40,127
Prepayments	16,652
Cash and bank deposits	84,974
Total Assets (A)	306,258

In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000

(h) Insurance / reinsurance receivables	29,931
Total of In-admissible assets (B)	29,931
Total Admissible Assets (C=A-B)	276,327

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024 Rupees in '000
Total Liabilities	
Underwriting provisions	
Outstanding claims including IBNR	65,211
Unearned contribution reserve	114,619
Contribution deficiency reserve	985
Unearned retakaful rebate	3,413
Takaful / retakaful payables	25,902
Payable to OPF	44,848
Other creditors and accruals	9,785
Total Liabilities (D)	264,763
 Total Net Admissible Assets (E=C-D)	 11,564

36. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

37. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

IFRS 13 defines fair value as an exit price. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable.

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Following are the assets which are either measured at fair value or for which fair value is only disclosed and is different from their carrying value:

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

PTF	2024		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
----- Rupees in '000 -----			
Available for sale investments			
Mutual fund units	-	10,515	-
	-	10,515	-
	<hr/>		
PTF	2023		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
----- Rupees in '000 -----			
Available for sale investments			
Mutual fund units	-	8,220	-
	-	8,220	-
	<hr/>		

37.1 There are no changes in fair value levels during the year.

37.2 The carrying amounts of all other financial assets and liabilities are approximate to their fair values.

38. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. However, there are no material misstatement to report during the year.

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 26 March, 2025 by the Board of Directors of the Operator.

40. GENERAL

All amounts have been rounded to the nearest thousand Rupees.

Chief Executive Officer

Chairman

Director

Director

Chief Financial Officer

CATEGORIES OF SHAREHOLDING

As at December 31, 2024

SNO.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	9	2,721,101	5.38
2	Associated Companies, Undertakings and related Parties	10	13,428,803	26.56
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	5	861,899	1.70
5	Insurance Companies	3	5,474,810	10.83
6	Modarabas and Mutual Funds	2	158	0.00
7	Share holders holding 10%	2	14,740,724	29.15
8	General Public : a. local b .Foreign	1,864 - -	23,357,867 - -	46.19 - -
9	Others	41	4,720,467	9.34
Total (excluding : share holders holding 10%)		1,934	50,565,105	100.00

CATEGORY DETAILS OF SHAREHOLDING

As at December 31, 2024

Directors, Chief Executive Officer, and their spouse and minor children

SNO.	FOLIO	NAME	HOLDING
1	03277-104904	SHARIK BASHIR	410,775
2	03277-2772	SALMAN RAFI	137,567
3	03277-48704	NADEEM MAQBOOL	478,724
4	03277-48705	NAZIA MAQBOOL	202,251
5	03277-9900	IMRAN MAQBOOL	489,278
6	03525-4544	AHSAN BASHIR	394,411
7	03525-5627	ASMA IMRAN MAQBOOL	153,299
8	03525-72378	KHALID BASHIR	294,467
9	03525-96446	BEGUM TANVEER KHALID BASHIR	160,329
TOTAL >>			2,721,101

Associated Companies, Undertakings and related Parties

1	635	M/S.MUHAMMAD AMIN MUHAMMAD BASHIR LTD.	213
2	02113-1292	MOHD AMIN MOHA BASHIR LTD	11,510
3	02113-2720	EQUITY TEXTILES LIMITED	1,579,749
4	03277-2582	JUBILEE SPINNING & WEAVING MILLS LIMITED	18,682
5	03277-31027	CRESCENT FIBRES LTD	69,621
6	03525-16675	CRESCENT COTTON MILLS LTD	303,384
7	03525-48327	SURAJ COTTON MILLS LTD.	1,298,971
8	03525-48328	SHAMS TEXTILE MILLS LIMITED	739,069
9	03525-48329	CRESCENT POWERTEC LIMITED	9,266,031
10	03525-8794	THE CRESCENT TEXTILE MILLS LTD	141,573
TOTAL >>			13,428,803

Banks, Development Financial Institutions, Non Banking Financial Institutions

1	133	M/S. BIBOJEE INVESTMENT LIMITED.	12,526
2	593	INDUSTRIAL DEVELOPMENT BANK LIMITED	1,128
3	00083-36	IDBL (ICP UNIT)	99
4	03277-7003	PAKISTAN INDUSTRIAL DEVELOPMENT CORP.	847,948
5	03525-100145	ESCORTS INVESTMENT BANK LIMITED	198
TOTAL >>			861,899

Insurance Companies

1	673	M/S.STATE LIFE INSURANCE CORPN.OF PAK.	172
2	02683-23	STATE LIFE INSURANCE CORP. OF PAKISTAN	5,474,521
3	03277-8997	THE CRESCENT STAR INSURANCE CO.LTD.	117
TOTAL >>			5,474,810

Modarabas and Mutual Funds

1	1501	M/S.FIRST INTERFUND MODARABA.	117
2	1781	M/S.FIRST CONFIDENCE MODARABA.	41
TOTAL >>			158

CATEGORY DETAILS OF SHAREHOLDING

As at December 31, 2024

Others

SNO.	FOLIO	NAME	HOLDING
1	110	M/S.THE PAN ISLAMIC STEAMSHIP CO.LTD	65
2	169	M/S.AUSTRALASIA BANK LTD.	2,923
3	345	M/S.MUTUAL TRADING CO.LTD.	1
4	362	M/S.TAYYAB KATCHI & CO.LIMITED.	5,314
5	389	M/S.GOLDEN VALLEY TRADING CO.LTD.	3,525
6	503	M/S.VALIKA INVESTMENT CORPN.LTD.	5,184
7	985	M/S.CRESCENT TRADING CORPN.(PVT) LTD	9,095
8	1144	ALI TRUST, LAHORE.	41
9	1665	M/S.SITARA ENTERPRISES (PVT) LTD.	177
10	2279	M/S. N.H. SECURITIES (PVT) LTD.	23
11	2350	M/S.PROGRESSIVE GARMENTS (PVT) LTD.	11,797
12	2352	M/S.CRESCENT SPINNING MILLS LTD.	7,372
13	2577	M/S.AMIN BASHIR VENTURES (PVT) LTD.	12,290
14	3032	TRUSTI BONUS FBR	33,476
15	3042	TRUSTEE TO 5% BONUS FBR	42,135
16	3068	TRUSTEE TO 5% BONUS FBR 10% BOUNS	15,864
17	3069	TRUSTEE TO BOUNS FRACTION SHARES COMPANY SECRETARY	1,032
18	3082	TRUSTEE TO BONUS FRACTION SHARE COMPENY SECRETARY	958
19	01917-33	PRUDENTIAL SECURITIES LIMITED	2,340
20	01917-41	PRUDENTIAL SECURITIES LIMITED	122
21	02287-14	ISE TOWERS REIT MANAGEMENT COMPANY LIMITED	293
22	02287-22	ISE TOWERS REIT MANAGEMENT COMPANY LIMITED	8,548
23	03210-28	Y.S. SECURITIES & SERVICES (PVT) LTD.	912
24	03277-1048	MILLWALA SONS (PRIVATE) LIMITED	29
25	03277-13417	MNG.COMMITTEE OKHAI MEMON MADRESSAH ASSO	72,055
26	03277-64371	DEPUTY ADMINISTRATOR ABANDONED PROPERTIES ORGANIZATION	270,510
27	03277-9352	TRUSTEES CRESCENT STEEL&ALLIED PROD PN.F	12,589
28	03277-94725	ROOMI HOLDINGS (PVT.) LIMITED	1,268,000
29	03277-9699	BURMA OIL MILLS LTD	191,697
30	03525-113676	MASOOD HOLDINGS (PRIVATE) LIMITED	2,226,149
31	03525-57191	SARFRAZ MAHMOOD (PRIVATE) LTD	741
32	03525-63817	NH SECURITIES (PVT) LIMITED.	933
33	03525-87235	MAPLE LEAF CAPITAL LIMITED	1
34	04440-20	ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD.	562
35	04580-23	CAPITAL VISION SECURITIES (PVT) LTD.	167
36	04705-87224	FEDERAL BOARD OF REVENUE	239,711
37	05736-15	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	11,600
38	07419-21562	ROOMI HOLDINGS (PVT.) LIMITED	240,511
39	10231-27	MSMANIAR FINANCIALS (PVT) LTD.	465
40	14241-22	FIKREES (PRIVATE) LIMITED	16,260
41	16857-26	MRA SECURITIES LIMITED - MF	5,000
TOTAL >>			4,720,467

PATTERN OF SHAREHOLDING

As at December 31, 2024

NO OF SHAREHOLDERS	NO. OF SHAREHOLDINGS FROM	NO. OF SHAREHOLDINGS TO	TOTAL SHARES HELD
585	1	100	15,704
433	101	500	114,194
186	501	1,000	137,644
363	1,001	5,000	879,905
100	5,001	10,000	716,509
60	10,001	15,000	742,493
20	15,001	20,000	338,299
24	20,001	25,000	534,628
21	25,001	30,000	569,456
11	30,001	35,000	355,031
16	35,001	40,000	595,367
9	40,001	45,000	380,673
3	45,001	50,000	146,538
7	50,001	55,000	360,826
1	60,001	65,000	63,827
4	65,001	70,000	269,515
8	70,001	75,000	581,367
5	80,001	85,000	411,966
5	85,001	90,000	438,665
2	90,001	95,000	185,585
1	95,001	100,000	98,500
3	100,001	105,000	307,413
1	115,001	120,000	116,549
1	120,001	125,000	123,403
2	125,001	130,000	254,821
3	130,001	135,000	401,679
3	135,001	140,000	414,878
1	140,001	145,000	141,573
1	145,001	150,000	145,155
5	150,001	155,000	766,495
2	160,001	165,000	322,713
1	175,001	180,000	175,632
1	190,001	195,000	191,697
1	195,001	200,000	198,457
3	200,001	205,000	605,596
1	205,001	210,000	207,324
1	215,001	220,000	218,005

PATTERN OF SHAREHOLDING

As at December 31, 2024

NO OF SHAREHOLDERS	NO. OF SHAREHOLDINGS FROM	NO. OF SHAREHOLDINGS TO	TOTAL SHARES HELD
1	235,001	240,000	239,711
1	240,001	245,000	240,511
1	270,001	275,000	270,510
1	280,001	285,000	282,384
2	290,001	295,000	588,035
1	300,001	305,000	303,384
3	305,001	310,000	918,996
2	325,001	330,000	657,000
1	345,001	350,000	348,307
1	375,001	380,000	377,785
1	390,001	395,000	394,411
1	410,001	415,000	410,775
1	430,001	435,000	434,803
1	435,001	440,000	439,997
1	455,001	460,000	459,441
1	475,001	480,000	478,724
2	485,001	490,000	976,335
1	505,001	510,000	505,643
1	545,001	550,000	550,000
1	565,001	570,000	568,461
2	575,001	580,000	1,153,505
1	665,001	670,000	669,701
1	700,001	705,000	701,259
1	735,001	740,000	739,069
1	845,001	850,000	847,948
1	960,001	965,000	964,430
1	1,180,001	1,185,000	1,183,054
1	1,215,001	1,220,000	1,219,423
1	1,265,001	1,270,000	1,268,000
1	1,295,001	1,300,000	1,298,971
1	1,575,001	1,580,000	1,579,749
1	2,225,001	2,230,000	2,226,149
1	5,470,001	5,475,000	5,474,521
1	9,265,001	9,270,000	9,266,031
1,934			50,565,105

BRANCH NETWORK

Karachi

Head Office

5th Floor, State Life Building 2-A, Wallace Road,
Off. I.I. Chundrigar Road, Karachi, Pakistan.
Phone: 021-32416331-4
Fax: 021-32416572

Clifton Branch

5th Floor, State Life Building 2-A, Wallace Road,
Off. I.I. Chundrigar Road, Karachi, Pakistan.
Phone: 021-32416331-4
Fax: 021-32416572

North Zone

Zonal Office Lahore

162 Shadman II Lahore.
Phone: 042-35407001-5
Fax: 042-35407006

Mall Branch Lahore

23 Shahrah-e-Quaid-e-Azam, Lahore.
Phone: 042-37230602-3

Multan Branch

P-KOK Towers
Nishter Chowk, Multan
Phone: 061-4515007-9

Faisalabad Branch

1st Floor Regency Arcade,
949-Mall Road, Faisalabad.
Phone: 041-2632211-3
Fax: 041-2617802

Gujranwala Branch

Block - L, Trust Plaza,
G.T Road, Gujranwala.
Phone: 055-3256432

Islamabad Branch

64-E 2nd Floor, Masco Plaza,
Jinnah Avenue, Blue Area, Islamabad.
Phone: 051-2803024-5
Fax: 051-2348169

Peshawar Branch

Lamsy Arcade, 1st Floor, Fakhar-e-Alam Road,
Peshawar Cantt.
Phone: 091-5273757 / 5277809
Fax: 091-5277809

Sialkot Branch

Room # 3 & 4, Sahib Plaza,
Saga Chowk, Defence Road, Sialkot.
Phone: 052-3572192-3

Quetta Branch

43-Regal Plaza 2nd Floor
Circular Road Quetta
Phone: 081-2842883

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 73rd Annual General Meeting ("AGM") of PREMIER INSURANCE LIMITED ("the Company") will be held on **April, 25, 2025**, at 10:00 am at Registered Office, 5th Floor, State Life Building No. 2A, Wallace Road, Karachi as well as through Video link facility to transact the following business: -

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2024, together with the Chairman's Review, Directors' and Auditors' Reports thereon.

The above financial statements and documents can be viewed/downloaded using the following link and QR enabled code



<http://pil.com.pk/pin/wp-content/uploads/2025/03/2024-PIL-ANNUAL-REPORT.pdf>

2. To appoint Auditors and fix their remuneration. The members are hereby given notice that the Audit Committee and the Board of Directors have recommended the name of M/s. BDO Ebrahim & Co, Chartered Accountants for appointment as auditors of the Company.

By Order of the Board

Fariq Mahmood Khan Rohilla
Company Secretary

Karachi: April 04, 2025

NOTICE OF ANNUAL GENERAL MEETING

Notes:

Closure of Share Transfer Books

The Share Transfer Book of the Company shall remain closed from April 18, 2025 to April 25, 2025 (both days inclusive). Transfers received in order at the office of our Registrar, FAMCO Share Registration Services (Pvt) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, Pakistan by the close of business on April 17, 2025 will be treated in time for the purpose of attending, speaking and voting at the AGM.

AGM by Video-link facility

The Company has made arrangements for the shareholders, directors and others to attend AGM through electronic means.

The members and their proxies who wish to attend the AGM are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) at email company.secretary@pil.com.pk at least two working days before the AGM.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the email address they provided to the Company for this purpose. The Login facility will remain open from the start of the meeting till its proceedings are concluded.

Participation in the Annual General Meeting

A member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote instead of him / her and proxies so appointed shall have same rights and obligations as respect attending, speaking and voting at the meeting as are available to members. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time of holding the meeting. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form. A proxy must be a member of the Company. The proxy forms in English and Urdu languages are annexed to the notice sent to the members. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be submitted along with copy of CNIC of the representative.

Circulation of Annual Reports

As required under Section 223(6) of the Companies Act 2017 and in terms of S.R.O No. 389(1)/2023 dated March 21, 2023, the shareholders of Premier Insurance Limited had accorded their consent for circulation of Annual Financial Statements along with Auditors and Directors Reports, etc. to its members through QR enabled code and weblink.

NOTICE OF ANNUAL GENERAL MEETING

The Company has also placed a copy of the Notice of AGM, Annual Financial Statements for the year ended December 31, 2024 along with Auditors and Directors Reports thereon and Chairman's Review and other information on the website of the Company: www.pil.com.pk

Electronic Transmission of Financial Statements

Pursuant to Notification vide SRO 787 (I) / 2014 dated September 08, 2014, the Securities and Exchange Commission of Pakistan (SECP) has directed all companies to facilitate their members receiving annual financial statements and notice of annual general meeting through electronic mail system (E-mail). The Company is pleased to offer this facility to our valued members who desire to receive annual financial statements and notices through email in future. In this regards, those members who wish to avail this facility are hereby requested to convey their consent via email on a standard request form which is available at the Company's website.

The Company will send the financial statements in hard copy to the shareholders, at their registered addresses, free of cost, within one week, if a request has been made by a member on the standard request form available on the website of the Company.

Please ensure that your email account has sufficient rights and space available to receive such email which may be greater than 1 MB in size. Further, it is the responsibility of member(s) to timely update the share registrar of any change in his (her / its / their) registered email address at the address of Company's Registrar in case of physical folio or with their Participants / brokers or CDC Investor Account Services, where their shares are held in electronic form.

Conversion of Physical Shares into CDC Account

The Securities and Exchange Commission of Pakistan (SECP) has issued Letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies drawing their attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires them to replace shares issued by them in physical form with shares in the Book-Entry form within a period not exceeding four years from the date of the promulgation of the Act.

In order to ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry-Form, the Shareholders who still hold shares in Physical form are requested to convert their shares into the Book-Entry form

Dividend, Electronic Credit Mandate (Mandatory)

Pursuant to the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode by making direct remittance into their respective bank account designated by the entitled shareholder(s) ("the bank account"). Therefore, in order to receive dividends directly into their bank account, shareholders holding shares in physical form are requested to fill in "Electronic Credit Mandate

NOTICE OF ANNUAL GENERAL MEETING

Form" available on Company's website i.e. www.pil.com.pk and send the completed form along with a copy of a valid CNIC or provide the following information to the registrar of the Company M/s. FAMCO Share Registration Services (Pvt) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.

Folio Number:
Name of Shareholder:
Title of the Bank Account:
Email address:
International Bank Account (IBAN) (24 digits):
Name of Bank:
Name of Bank Branch and Address:
Cellular Number of Shareholder:
Landline Number of Shareholder:
CNIC/NTN _____ Number: _____ (in case of corporate shareholder) (Attach Copy)
Signature of Member

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services. No further action is required if IBAN is already been incorporated/updated in the CDC account or physical folio of the shareholder.

In case of non-submission, all future dividend payments may be withheld.

UNCLAIMED DIVIDEND / SHARES U/S 244 OF THE COMPANIES ACT, 2017:

An updated list for unclaimed dividend/shares of the Company is available on the Company's website www.pil.com.pk. These are unclaimed dividend/shares which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable.

Claims can be lodged by shareholders on Claim Forms as are available on the Company's website.

Claim Forms must be submitted to the Company's Shares Registrar for receipt of dividend/shares.

Updation of Shareholder Addresses/Email & Cell Numbers:

The Members are requested to notify the Company if there is any change in their addresses or other particulars immediately; in case of physical shares, to the Company/Share Registrar and for CDC shares, to the respective Central Depository System (CDS) Participants.

NOTICE OF ANNUAL GENERAL MEETING

Further, to comply with requirement of Section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all CDC and physical shareholders are requested to provide their email address and cell phone number incorporated/updated in their physical folio or CDC Account.

Zakat Exemption

In order to claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs.200/- to the Shares Registrar of the Company, FAMCO Share Registration Services (Pvt.) Limited by first day of book closure. In case shares are held in scrip less form, such Zakat Declaration Form (CZ -50) must be uploaded in the CDC Account of the Shareholder, through their participant/Investor Account Services. Further, Non-Muslim Shareholders are also required to file Solemn Affirmation (available on <https://famcosrs.com>) with the Shares Registrar of the Company in case shares are held in physical certificates or with CDC Participant / Investor Account Services if the shares are in scrip less form. No exemption from deduction of zakat will be allowed unless the above documents complete in all respects have been made available as detailed above.

SHARE REGISTRAR

FAMCO Share Registration Services (Pvt) Limited

8-F, Next to hotel Faran, Nursery Block-6,
P.E.C.H.S., Shahrah-e-Faisal, Karachi.
Phones: (21) 34380101-2
Fax : (21) 34380106
Email : info.shares@famco.com.pk

Subject Consent for Electronic Transmission of Annual Report

Dear Sirs,

I/we, being the shareholder(s) of Premier Insurance Limited, ("Company"), do hereby give consent and authorize the company for electronic transmission of the Annual Report containing Annual Audited Financial Statements, Directors' Report and Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the company of any change in my Email address.

I understand that the transmission of Annual Report via the Email shall meet the requirements as mentioned under Section 50,158,233 and 236 of the Companies Ordinance, 1984.

Name of Shareholder(s): _____

Fathers / Husband Name: _____

CNIC: _____ NTN (if any): _____

Participant ID / Folio No: _____ Telephone: _____

Mailing address: _____

Email address:

Date: _____

Premier Insurance Limited
State Life Building No. 2A
5th Floor, Wallace Road Karachi

Signature
(In case of corporate shareholders,
the authorized signatory shall sign)

پریمیر ان سورنس لیمیٹڈ

اسٹیٹ لاکف بلڈنگ، پانچویں منزل، نمبر A-2، والیک روڈ، کراچی نمبر-74000

نائب اپر اکسی فارم

سالانہ جزء میٹنگ

میں / ہم جیتیت ممبر پریمیر ان سورنس لیمیٹڈ کے عام شعبہ ولد رکھتا رکھتی ہوں بہ طابق رجسٹرڈ فویونبر اورا یا سی ڈی سی کے شرکت دار، شناختی کارڈ نمبر ذیلی اکاؤنٹ نمبر قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر جو کہ کمپنی کا پہلے سے ممبر ہے، بہ طابق فویونبر اپاکٹ یا ناکام رہا رہی کیلئے بطور میرے نائب میری غیر موجودگی میں حاضر ہوگی اہوگا اور میرے لئے میری معرفت ووٹ ڈالے جو کہ کمپنی کے سالانہ اجلاس عام بہ طابق 25 اپریل 2025 بوقت 10:00 am بجے رجسٹرڈ آفس کراچی میں منعقد ہو گا۔

و مختصر مورخہ 2025 دن - - - گواہ:

۱-

و مختصر:

نام:

پختہ:

قومی شناختی کارڈ نمبر:

گواہ:

۲-

و مختصر:

نام:

پختہ:

قومی شناختی کارڈ نمبر:

نوت:

- ۱- ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دمختح کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس، بہ قام پانچویں منزل، اسٹیٹ لاکف بلڈنگ نمبر A-2، والیک روڈ، کراچی کے پتے پر ارسال کر دے۔
- ۲- سی ڈی سی شیر ہولڈرز اور ان کے نائب پر لازم ہے کہ وہ اپنے شناختی کارڈ کی فوٹو کاپی تصدیق شدہ یا پاسپورٹ کی کاپی اس پر اکسی فارم کمپنی میں جمع کرنے سے پہلے ساتھ منسلک کریں۔

Premier Insurance Limited

5th Floor, State Life Building 2-A, Wallace Road, Off. I.I. Chundrigar Road, Karachi, Pakistan.

Proxy Form
Annual General Meeting

I/We _____ of _____
being a member of Premier Insurance Limited and holder of Ordinary shares as per Registered
Folio No _____ and/or CDC Participant I.D.No _____
Sub-Account No _____ CNIC No _____
or Passport No _____ hereby appoint _____
of _____ who is also a member of the company, having Folio No _____
or failing him/her _____ as my/our Proxy in my/our
absence to attend, speak and vote for me/us and on my/ our behalf at the Annual General Meeting of
the company to be held on Friday April, 25 2025, time 10:00 am at Registered Office, Karachi.

Signed this _____ day of _____ 2025

1. Witness:

Signature _____

Name _____

Address _____

CNIC or Passport No _____

2. Witness:

Signature _____

Name _____

Address _____

CNIC or Passport No _____

Rupees Five
Revenue
Stamp

Signature of Shareholder

Note:

1. Proxies in order to be effective must be received at the Registered Office of the company at 5th Floor, State Life Building No. 2-A, Wallace Road, Karachi not later than 48 hour before the meeting.
2. 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.

Premier Insurance Limited

Since 1952 as a life-time companion we have delivered distinctive general insurance services across the country with diligence, zeal and commitment. Yet our journey to excel continues; to do more and better for our clients.



www.pil.com.pk