

RISING HORIZONS





EMBRACE A CAREFREE LIFE WITH **ATLAS INSURANCE**



A Company Incorporated in 1934

A credible and conscious insurance company protecting all your business and personal insurance risks in the most transparent manner.

- Gross underwriting premium along with Takaful contribution over 8.3 billion rupees
- Insurer Financial Strength rating 'AA+' by PACRA
- Awarded four times by the Insurance Journal for highest underwriting profitability
- Winner of KSE top 25 companies, SAFA, ICAP and ICMAP awards

Providing Coverage of:

Fire, Marine, Motor, Health, Travel, Home, Engineering, Crop, Livestock, etc.

Organisation
development
through
self development



RISING HORIZONS

Rising Horizons reflects not only the start of a new day but also the steady ascent of light that follows. It symbolizes the Company's continued growth, built on strong foundations and disciplined progress. Just as each sunrise builds upon the last, so does our commitment to strengthening financial resilience and delivering sustainable value year after year.







FINANCIAL HIGHLIGHTS

2025

Gross Premium &
Contribution

Rs. 8,315
million

Underwriting
Profit

Rs. 1,205
million

Investment
Income

Rs. 2,080
million

Profit
Before Tax

Rs. 3,393
million

Profit
After Tax

Rs. 2,077
million

Equity

Rs. 10,986
million

Investments

Rs. 16,052
million

Total Assets

Rs. 24,366
million

Cash Dividend

85%

TABLE OF CONTENTS

Company Overview

About the Group.....	10
About the Company	10
Atlas Group Shareholding.....	11
Vision and Mission	13
Corporate Strategy	14
Core Values.....	17
Code of Conduct.....	18
Company's Profile	20
Geographical Presence.....	23
Board of Directors Profile.....	24
Timeline Unravelling	27
Company Information	28
Organogram.....	30
Awards and Accolades	31
Business Model.....	32
Policy and Procedures for Engagement of Stakeholders.....	34
Strategic Objectives	36
Risk Management.....	39
Cybersecurity Framework.....	43
Health, Safety and Environment.....	44
Whistle Blowing Policy	44
Sustainability and Corporate Social Responsibility	45

Shareholders' Information

Notice of Annual General Meeting	52
Corporate Information	57
Access to Reports and Enquiries	59
Share Price Sensitivity Analysis	62
Major Events	63
Forward Looking Statement	64
Report of the Board Audit Committee	65

Financial Highlights

Six Years at a Glance.....	68
Performance at a Glance.....	70
Comments on Key Financial Data and Ratios.....	72
Quarterly Performance Analysis	73
Analysis of Financial Statements	74
Economic Value Added.....	78
DuPont Analysis	79
Statement of Value Addition	80
Value Chain.....	81
SWOT Analysis.....	81
PESTEL Analysis	82
Competitive Landscape and Marketing Positioning.....	83

Corporate Governance

Board of Directors	86
Board and Management Committees	89
Profile of the Shariah Advisor	92
Chairman's Review	93
Chairman's Review (Urdu)	98
Directors' Report	99
Directors' Report (Urdu)	110
Pattern of Shareholding.....	112
Statement of Compliance with the Code of Corporate Governance.....	113
Auditors' Review Report to the Members on Statement of Compliance	117

Financial Statements

Auditors' Report to the Members.....	120
Statement of Financial Position	123
Profit and Loss Account	124
Statement of Comprehensive Income	125
Statement of Changes in Equity.....	126
Cash Flow Statement.....	127
Notes to and Forming Part of the Financial Statements.....	129

Financial Statements - Window Takaful Operations

Shariah Advisor's Report to the Board of Directors	174
Auditors' Report to the Members.....	175
Statement of Financial Position	177
Profit and Loss Account.....	178
Statement of Comprehensive Income	179
Statement of Changes in Fund	180
Cash Flow Statement.....	181
Notes to and Forming Part of the Financial Statements.....	183

Other Information

Gender Pay Gap Statement	212
Company Offices.....	213
Glossary.....	216
Atlas Group Companies	219
Form of Proxy.....	221

COMPANY OVERVIEW







ABOUT THE GROUP

The foundation of Atlas Group was laid down by our late Chairman, Mr. Yusuf H. Shirazi in 1962 when “Shirazi Investments (Private) Limited” (SIL) was formed with an initial capital of half a million rupees and two associates by his side. The Atlas motto coined by him, ‘Organization Development through Self-Development’, has been the mantra of success for Atlas since inception.

Today Atlas is a diversified group dealing in manufacturing, power generation, trading and financial services. The Group embodies the spirit of development as it endeavors to fuel the growth of Pakistan’s economy through its diversified presence and especially through 4 companies listed on the Pakistan Stock Exchange Limited (PSX).

Atlas, with its focus on development, has firmly established itself as the technology and knowledge leader in Pakistan. The Group has harmonized professional management and institutionalized the Group shareholding to build businesses that last generation after generation. Atlas is driven by the ambition of making Pakistan self-sufficient and prosperous. Atlas plays a leading role as a responsible corporate citizen promoting professional education, contributing to health facilities, helping law enforcement agencies and improving the standard of living.



ABOUT THE COMPANY

Atlas Insurance Limited (the Company) was incorporated as a public limited company on September 06, 1934 under the Companies Act, 1913 (now the Companies Act, 2017) and is listed on the PSX. The Company is engaged in general insurance business. The registered office of the Company is situated at 63/A, Block - XX, Phase III (Commercial), Khyaban-e-Iqbal, Defence Housing Authority, Lahore, Pakistan. The Company is a subsidiary of Shirazi Investments (Private) Limited.

The Company was granted license to work as Window Takaful Operator (WTO) on March 02, 2016 by the Securities and Exchange Commission of Pakistan (SECP) under the Takaful Rules, 2012 to carry on Window Takaful Operations in Pakistan.

The Company is proud of its successful journey of nearly nine decades by satisfying its policyholders’ insurance needs. The Company has a wide range of products offered to customers, including but not limited to Fire, Marine, Motor, Personal Accident, Health, Travel, Home, Engineering, Crop, Livestock, Bond, Terrorism etc. Today Atlas Insurance is one of the preferred choices not only for better services to insured but enhanced risk management and safeguarding the interest of the stakeholders.

ATLAS GROUP SHAREHOLDING



Shirazi Investments (Holding Company)

SIL was incorporated in 1962 and is the holding company of Atlas Group. SIL, holds 75.33% shares of Atlas Insurance Limited. Besides being holding company of Atlas Group, it is engaged in the businesses of real estate, warehousing and investments in capital markets.

100%



Atlas Foundation (Associated Company)

Atlas Foundation was incorporated in 1986 as not for profit organization. The Foundation has played its role in promoting professional education, contributing to health facilities, helping law enforcement agencies and improving the quality of life. Atlas Foundation holds 2.75% shares of Atlas Insurance Limited.

2.75%



Atlas Insurance

The Company was founded in 1934 by Dr. Sir Allama Muhammad Iqbal, and is one of the oldest insurance companies of Pakistan. The Company was taken over by the Atlas Group in 1980. The Company offers general insurance products both in conventional and takaful lines of business.

75.33%



VISION

A first class insurance company that provides the highest level of quality service to its policyholders.

MISSION

To stay in the forefront of innovation and technological developments, continue to achieve corporate success, provide its policyholders quality products and service to their satisfaction, promote interest of all the stakeholders - employees, shareholders, reinsurers and business associates equitably fulfilling demand of overall social responsibility.



CORPORATE STRATEGY

Our strategy is designed to deliver sustainable and profitable growth in a dynamic and competitive business environment in accordance with the highest ethical, legal and professional standards.

Focus on building long lasting relationships with our customers.

Create value to the stakeholders by maintaining and improving our competitive position in the market.

Adding value in our skills and services through training and development of our employees. Promoting a culture of transparency and accountability through honesty, integrity and diligence in dealing with people connected with the Company's business.

Focus on career development of employees by coaching and by helping them to achieve their goals and providing a working environment of trust and mutual respect.

Competence and knowledge management to focus on human excellence using professional methodologies with strategic planning following the concept of "Management By Objective".

Monitoring the performances of processes and taking timely action for their standardization and optimization.





CORE VALUES

Integrity and Ethics

The Company places high value on the integrity of employees and ethical practices in its business dealings. We endeavour to establish the best professional and personal standards by adopting the path leading to the highest level of integrity.

Value of Time

We believe that time is the most precious resource and should be utilized in the most effective and efficient manner possible and performance excellence in true sense is managing time to deliver the most in the shortest period.

Respect, Recognition and Reward

The human resource policy is built on Respect, Recognition and Reward (3R's) concept for all levels of employees.

Organization Development through Self Development

Every member is encouraged and motivated with a vision and purpose to continuously strive for excellence, taking pride in the Atlas motto 'Organization Development through Self Development'.

Teamwork

We believe that long term sustainability and growth of an organization is based on strong team work and every employee is committed to work as a team to deliver the best results.

Fairness

The Company strongly emphasizes fair dealing with employees, stakeholders, business partners and clients through adherence to ethical values, Company policies, applicable laws, regulations and high standards of moral behaviour.



CODE OF CONDUCT

Standard of Conduct

The Company will conduct its operations with honesty, integrity and openness, and with respect for the human rights and interests of all stakeholders including employees.

Obeying the Law

The Company is committed to comply with all the applicable laws and regulations.

Employees

- The Company is committed to create a working environment where there is mutual trust and respect and everyone feels the responsibility for the improved performance and reputation of the Company.
- The Company strongly believes in the core value of 3R's - Respect, Recognition and Reward
- The Company recruits, employs and rewards employees purely on the basis of merit, qualification, experience and abilities required for the work to be performed.
- The Company is committed to provide safe, healthy and pleasant working environment for all the employees. The Company will not use any form of forced, compulsory or child labor.
- The Company is committed to work with employees to develop their skills and capabilities, provide training to groom them on the basis of their Training Needs Assessment analysis.
- The Company respects the dignity of employees and their right to freedom of expression.

- The Company maintains good communication links with employees through Company based information and consultation procedures.

Insured

The Company is committed to provide prompt and efficient services to its clients by adequately insuring their risks and doing risk assessment as per requirements of the clients. It endeavors to provide peace of mind and security to its clients pursuing ethical and professional practices.

Shareholders

The Company will conduct its operations in accordance with principles of good corporate governance. It will provide timely, regular and reliable information on its business activities, structure and financial matters to the shareholders.

Business Partners

- The Company is committed to establish mutually beneficial relations with its insured, reinsurers and business partners.
- In the business dealings, the Company expects its partners to adhere to business principles and ethical practices consistent with its own.

Community Involvement

The Company strives to be a trusted corporate citizen and, as integral part of the society, to fulfil its responsibilities to society and the communities where it operates.

Competition

The Company and its employees will conduct their operations in accordance with the principles of fair competition without compromising on ethical practices.

Public Activities

- The Company will promote and defend its legitimate business interests.
- The Company will co-operate with the government and other organizations, both directly and through bodies such as Insurance Association of Pakistan, in the development of proposed legislation and other regulations that could promote legitimate business interests.
- The Company neither supports any political group or party nor contributes to the funds of any group whose activities are aimed at promoting any party interests.

Environment

- The Company is committed to make continuous improvement in the management of environmental impact towards its long-term goal of promoting a sustainable business.
- The Company will work to promote environmental care and increase understanding of environmental issues.

Business Integrity

- The Company does not give or receive, whether directly or indirectly, bribe or other improper advantages for business or financial gains. No employee shall offer, give or receive any gift or payment, which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to the management.
- The accounting records of the Company must accurately describe and reflect the nature of the underlying transactions transparently. No undisclosed or unrecorded accounts, funds or assets shall be established or maintained.

Conflict of Interest

The employees shall avoid personal activities and financial interests that could conflict with their responsibilities towards the Company. They shall not seek benefits for themselves or for others through misuse of their positions.

Compliance Monitoring and Reporting

- Compliance with these principles is an essential element of business success. The management is responsible for ensuring that these principles are communicated to, understood by and observed by, all the employees.
- Senior management is responsible for implementing these principles, if necessary through more detailed guidance tailored to local needs.
- Any breaches of the Code of Conduct must be reported by the employees to the management.
- The Board of Directors encourages the employees to bring to its attention, or to that of the senior management, any breach or suspected breach of these principles.
- Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.
- The Head of HR shall be responsible for disseminating this Code of Conduct to all the employees.

COMPANY'S PROFILE

TOGETHER WE RISE

The Company was founded in 1934 by Dr. Sir Muhammad Iqbal, Hakeem-ul-Ummat, and is one of the oldest insurance companies of Pakistan.

The Company was taken over by the Atlas Group in 1980. The Company has made steady progress since its acquisition by the Atlas Group. The equity of the Company has grown from Rs. 1.6 million in 1979 to over Rs. 10.987 billion in 2025, total assets having grown to over Rs. 24.366 billion and investments from Rs. 0.459 billion to over Rs. 16.052 billion. Atlas Insurance Limited has very sound reinsurance arrangements with the leading reinsurers of the world including Swiss Re from Switzerland, Hannover Re from Germany, Tokio Marine & Nichido Fire from Japan, Sompo from Japan, Luban Re from Malaysia, Korean Re from Korea, Malaysian Re from Malaysia and Kuwait Re from Kuwait among others.

After obtaining license from Securities and Exchange Commission of Pakistan (SECP), the Company launched its Window Takaful Operations in the year, 2016. Under the supervision of certified and experienced Shariah Advisor, the General Takaful products were designed. Takaful helps not only cater to the requirements of our existing clientele but also reach out to new market segments.

Acknowledging the financial strength of the Company, the Pakistan Credit Rating Agency Limited (PACRA) has maintained Insurer Financial Strength (IFS) rating of the Company at "AA+" which denotes a very strong capacity to meet policyholders and contract obligations.

Atlas Insurance Limited, a financially sound and professionally managed Company, has been awarded the Top Five Companies "Best Corporate Report Award" eight times, between 2003 and 2015, and also awarded merit certificate from 2019 to 2024, by the joint committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP). Atlas Insurance Limited has been awarded South Asian Federation of Accountants - SAFA "Best Presented Accounts Award" continuously for six years from 2006 to 2011. The Company is also recipient of "KSE Top 25 Companies Award". Atlas Insurance Limited was awarded the "Insurance Journal Performance Awards" for the "Highest Underwriting Profit as Percentage of Written Premium" on the basis of results for the years 2012, 2013, 2014 and 2015 by the Insurance Journal. This award reflects the fundamental strength of the Company and its prudent underwriting policies.

The Company's results have consistently been yielding profits. This has been made possible by excellent operating performance through professional and efficient service to clients, good management practices and cost controls. Consistency, hard work, dedication, adherence to the Company policies and procedures and code of conduct has contributed towards growth of the Company.

The Company has always sought to offer unique solutions to its clients and has the ability to offer creative alternatives to meet the challenges associated with needs of its clients by offering specially designed policies. The Company follows sound underwriting policies and provides highest quality services to its valued clients. Atlas Insurance has the privilege of having many blue chip companies and large groups amongst its valued customers. It serves its customers through a strong branch network throughout the country backed by advanced computerized information and control system. A wide range of products for conventional and takaful is offered by Atlas which includes:

- Fire & allied perils
- Marine & Hull
- Motor
- Personal accident
- Contractors all risk
- Erection all risk
- Machinery Breakdown
- Boiler & Pressure Vessel
- Product liability
- Fidelity guarantee
- Cash in transit / cash in safe
- Bankers' blanket bond
- Computer all risk
- Travel insurance
- Credit insurance
- Crop insurance
- Health insurance
- Terrorism



Fire & Allied Perils

This covers property and assets; it provides coverage against fire and lightning and can be extended to provide coverage for perils including impact damage, earthquake, fire & shock, atmospheric disturbance, malicious damage, explosion, flood, electric fluctuation, riot & strike and burglary etc.



Motor

Motor insurance provides comprehensive coverage i.e. accidental damage to vehicle, theft and third party liability etc. to our corporate and individual customers.



Personal Accident

Personal accident insurance provides cover against death and disability of a person due to an accident.



Crop Insurance

Covers financial loss due to damage to crop caused by natural calamities.



Marine and Hull

Marine cargo insurance covers loss of or damage to cargo while in transit to and from foreign lands and inland transit due to various insured perils.



Contractors' All Risk

Covers accidental damage to civil works and contractor plant and equipments in the course of construction carried out by contractors and can be extended to include third party liability cover.

Erection All Risk

Similar cover to CAR insurance but while CAR cover refers mainly to building and civil engineering work. EAR is used for coverage of loss or damage to machinery in the course of erection etc.

Machinery Breakdown

Machinery insurance is to grant cover for plant and machinery against mechanical / electrical breakdowns.



Boiler & Pressure Vessel

Covers damage to boilers and pressure vessels due to explosion or collapse caused by internal pressure and vacuum.



Fidelity Guarantee

Fidelity guarantee insurance protects employers against direct pecuniary loss which they may suffer due to fraud or any other act of dishonesty committed by their employee against them.

Cash in Transit / Cash in Safe

Covers cash against snatching or robbery while in transit from one premise to another in a given location or lying in the safe at assured premises.

Bankers' Blanket Bond

Covers banks and provide protection which includes loss due to theft and fidelity guarantee risks etc.

Loss of Profit

Provides protection against business interruptions and its consequential losses followed by incident of fire etc.



Product Liability

This policy covers liability to third parties arising out of faulty products supplied by the manufacturers.



Travel Insurance

This policy provides protection like personal accident, medical, loss of luggage and money while insured is traveling out of home country.



Computer All Risk

This insurance is specially designed to cover high value computer equipments on all risk basis covering sudden and unforeseen losses including various insured perils like fire, burglary and accidental damage. With rapid improvements in technology the useful lives of computers are reducing, creating demand for early changes in such sensitive equipments, resulting in increased requirement for this insurance.



Health Insurance

Atlas Insurance health plan - 'Atlas Care' provides coverage against hospitalization, maternity, critical illness, OPD and specialized investigations etc.

Health Insurance relieves insured from the worries of unexpected diseases ailments, surgery, operations and out patient care.

The group medical insurance curtails the administrative burden and financial pressures.



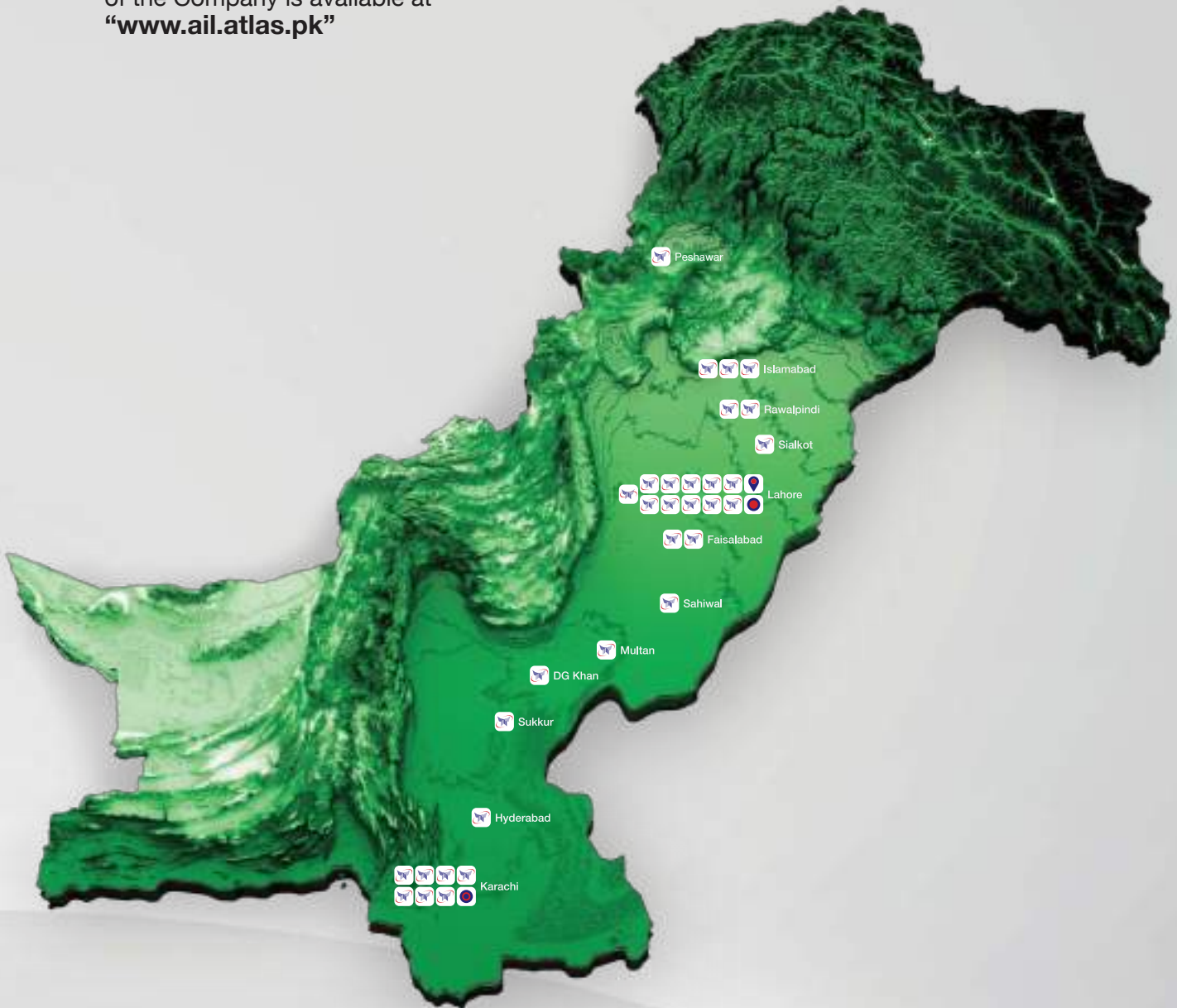
Terrorism

Terrorism insurance is designed to cover potential losses and liabilities that might occur as a result of terrorism activities.

GEOGRAPHICAL PRESENCE

Branch Network

The complete branch network of the Company is available at ["www.ail.atlas.pk"](http://www.ail.atlas.pk)



Head Office



Branch Office



Zonal Office



Registered Office

BOARD OF DIRECTORS

PROFILE



Mr. Iftikhar H. Shirazi

Chairman / Non-Executive Director

Mr. Iftikhar H. Shirazi graduated with a Bachelor of Science in Finance from Notre Dame De Namur University (formerly College of Notre Dame), USA, and completed his OPM from Harvard Business School, USA. He has over 35 years of corporate management experience, particularly in the financial and trading sectors. To his credit, he has work experience at the Bank of Tokyo-Mitsubishi, Yamaichi Securities, and Toyota Tsusho Corporation.

He is currently Chairman of Atlas Insurance Limited, Shirazi Investments (Private) Limited, Atlas Asset Management Limited, Shirazi Trading Company (Private) Limited, Atlas Real Estate (Private) Limited, Atlas Foundation, Atlas Vocational Training Institute, and Atlas Information Technology Resource Centre. He is also a member of the SAARC Chamber of Commerce & Industry, the Federation of Pakistan Chambers of Commerce & Industry (FPCCI), and the Karachi Chamber of Commerce & Industry (KCCI). He is also serving on the Board of the Forman Christian College, Ghulam Ishaq Khan Institute of Engineering Science and Technology, and British Overseas School Association. He was also a member of the Aga Khan Resource Development Committee and FPCCI Executive Committee. He has also served the Management Association of Pakistan as their Vice President.

He also enjoys membership in several other prestigious associations, including Harvard Club of New York and Pakistan, Young Presidents Organization, Aitchison College Old Boys Association, Government College of Commerce & Economics Old Students Association, and English-Speaking Union. He was also President of the International Club, Notre Dame De Namur University (formerly College of Notre Dame), USA.



Mr. Ali H. Shirazi

Non-Executive Director

Mr. Ali H. Shirazi is Atlas Group Director Financial Service and President / Chief Executive of Atlas Battery Limited. He serves on the Board of Atlas Asset Management Limited, Cherat Packaging Limited, Pakistan Cables Limited, National Foods Limited and Pakistan Society for Training and Development. Previously he has also served on the Board of National Clearing Company of Pakistan Limited (NCCPL).

He graduated with a BA from Yale University, USA in 2000 and thereafter completed his Masters in Law from Bristol University, UK in 2005 .

Mr. Ali H. Shirazi is a 'Certified Director' from the Pakistan Institute of Corporate Governance and in 2018 completed the Owner / President Management Program (OPM) from Harvard Business School.



Mr. Frahim Ali Khan

Non-Executive Director

Mr. Frahim Ali Khan is a Law graduate from Karachi University. He has also attended General Management Program at Harvard University, USA, Financial Management Program at Stanford University, USA and Board of Director's Program at Insead University, France.

He has over 50 years of experience in General Management, Finance, Investments and Taxation. He joined the Atlas Group in 1967 and has served in different positions. Currently his other directorship includes Atlas Power Limited, Atlas Solar Limited, Atlas Energy (Private) Ltd, Shirazi Investments (Private) Limited, Atlas Asset Management Limited, Atlas Engineering (Private) Limited, Atlas Metal (Private) Limited, Shirazi Trading (Private) Limited and Atlas Foundation.

Earlier, he also served on the boards of Atlas Honda Limited, Atlas Battery Limited and Atlas Bank Limited (former) and has been CEO of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Asset Management Limited and Atlas Investment Bank Limited (former).



Mr. Hasan Reza ur Rahim

Independent Director

Mr. Rahim is a seasoned banking and financial services professional with over 40 years of domestic and international experience. He brings extensive board and corporate governance expertise, with more than a decade of experience serving on listed and unlisted company boards.

He currently serves as an Independent Director on the boards of Atlas Insurance Ltd, Burj Clean Energy Modaraba, Mirpurkhas Sugar Mills Ltd, Lucky Electric Power Limited, Lucky Motors Corporation Limited, and Lucky Landmark (Private) Limited. He has previously served on the boards of Cyan Limited, Dawood Hercules Corporation Limited, Dawood Lawrencepur Limited, Engro Chemical Pakistan Limited, Hascol Limited, and Hum Network Limited.

Mr. Rahim's executive career includes serving as Executive Director, Chairman's Office at the Dawood Group, and a 15-year tenure at JPMorgan, where he held senior roles in Pakistan and abroad, including establishing and leading the Global Corporate Bank in Bahrain, Qatar, and Saudi Arabia, serving as Senior Country Officer for Pakistan, and working with the Regional Corporate Finance team in Singapore. He has led major M&A, privatization, and sovereign financing transactions exceeding USD 7.0 billion across multiple sectors.

Earlier in his career Mr. Rahim also held senior positions with MashreqBank psc and ANZ Grindlays Bank plc. He has worked in several international locations that included Zurich, Singapore, Bahrain and Dubai.

He holds a bachelor's degree from the University of Delaware (USA) and is an IFC-certified corporate governance trainer, a Pakistan Institute of Corporate Governance ("PICG") Certified Director, and a faculty member at PICG.



Mr. M. Habib-ur-Rahman

Non-Executive Director

Mr. M. Habib-ur-Rahman, a chartered accountant from Institute of Chartered Accountants in England & Wales and has over 50 years of corporate management experience in financial and manufacturing sectors. He formerly worked with National Investment Trust Limited as General Manager Finance and Investment, Atlas Honda Limited as executive Director, ABAMCO Limited as Chief Executive and Atlas Asset Management Limited as Chief Executive.

Mr. Habib-ur-Rahman has acted as Securities and Exchange Commission of Pakistan (SECP) nominee director on the Board of Karachi Stock Exchange in 2000, 2001 & 2003. He has also been a member of the Advisory Group on Capital Market constituted by SECP. He was a member of Enquiry Committee constituted by SECP to enquire about the management of exposure rules and another Enquiry Committee to study the 2008 Financial Crisis.

Mr. Habib-ur-Rahman has contributed to the formation and development of Mutual Funds Association of Pakistan, a trade body representing asset management companies in Pakistan and represented the Association in international conferences. Mr. Habib-ur-Rahman has represented the Association as director, chairman and chairman of taxation committee.



Mrs. Roohi Raees Khan

Independent Director

Mrs. Roohi Raees Khan is an MBA from IBA, Karachi. She completed her B.A. (Economics & Mathematics) from Punjab University. She has over 37 years of experience in various banking segments like Development Banking, Lease Financing, Housing Finance, SME Financing, Islamic Banking, Investment Banking, Agriculture Financing etc. She has about 20 years of experience at senior management level, as well as Chief Executive and Chief Operating Officer and Director on the Boards of various Financial Institutions having dealt with policy making, strategic planning and systems refinement, implementation of control functions, revamping / restructuring and mergers. She

has dealt with international lending Institutions like World Bank, Asian Development Bank, Islamic Development Bank and other multilateral lenders. She represented NDFC for successful negotiation, of credit line to financial sector, from Asian Development Bank.

Mrs. Khan is currently serving on the boards of Atlas Insurance Limited and Berger Paints Pakistan Limited. Mrs. Khan was Chairperson of SNGPL from 2020 to 2023 and has served on the Boards of Asian Leasing, Lahore Stock Exchange, International Housing Finance Limited, Mashreq Bank (now Samba Bank), PICIC etc. She was also the Chairperson of an Investment Bank before it was merged with a local commercial Bank. She has also served at senior management level in various organizations. She has been Group Head, Textiles, in National Development Finance Corporation, Chief Executive Officer of Asian Leasing, Chief Operating Officer of Trust Investment Bank and Zarai Taraqati Bank Limited (ZTBL). She had also been acting President of ZTBL during 2011 / 2012 when she was instrumental in bringing about many changes with positive impact on its profitability.

She has constantly devoted time over the past 30 years to various social sector institutions working for the betterment of downtrodden and deprived strata of society and is an advocate of improving the fate of the deprived mainly by catering to the basic right to health, education and equal opportunity to all.



Mr. Babar Mahmood Mirza

Chief Executive Officer / Executive Director

Mr. Babar Mirza is an MBA from the University of Glasgow, UK, and has also attended the Advanced Management Program at Harvard. He has over 29 years of experience in the insurance industry. He was associated with Habib Insurance as General Manager (1999 to 2009), worked with Adamjee Insurance as Deputy General Manager – Reinsurance and Head of Claims from 2010 to 2013, before joining UBL Insurers as Chief Operating Officer in 2013.

He was appointed Chief Executive Officer of UBL Insurers in 2014 and spent around four (4) years in that position before joining Atlas Insurance Limited in 2018. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.

TIMELINE

UNRAVELLED

2024

Achieved Rs. 1 billion underwriting profit milestone from core business.

2022

The rating was upgraded from "AA" to "AA+" by PACRA.

2016

Commenced Window Takaful Operations.

2006

Rebranded to "Atlas Insurance Limited".

1955

Commenced General Insurance business.

1934

Founded by Dr. Sir Allama Muhammad Iqbal by the name "The Muslim India Insurance Company Limited".

2025

Crossed Rs. 10 billion milestone in equity.

2023

Achieved landmark of Rs. 1 billion profit after tax.

2022

Crossed Rs. 5 billion milestone in gross premium and contribution.

2010

Crossed Rs. 1 billion milestone in gross premium and contribution.

1980

Acquired by Atlas Group.

1948

Renamed as "The Muslim Insurance Company Limited".



COMPANY INFORMATION

Board of Directors

Iftikhar H. Shirazi
Chairman / Non-Executive Director

Ali H. Shirazi
Non-Executive Director

Frahim Ali Khan
Non-Executive Director

Hasan Reza ur Rahim
Independent Director

M. Habib-ur-Rahman
Non-Executive Director

Roohi R. Khan
Independent Director

Babar Mahmood Mirza
Chief Executive / Executive Director

Muhammad Afzal
Company Secretary

Audit Committee

Hasan Reza ur Rahim
Chairman

Ali H. Shirazi
Member

Frahim Ali Khan
Member

Muhammad Afzal
Secretary

Saleem Mahmood Akhtar
Chief Internal Auditor

Ethics, Human Resource & Remuneration Committee

Roohi R. Khan
Chairperson

Ali H. Shirazi
Member

Frahim Ali Khan
Member

Babar Mahmood Mirza
Member

Qudsia Naheed
Secretary

Investment Committee

Ali H. Shirazi
Chairman

Frahim Ali Khan
Member

M. Habib-ur-Rahman
Member

Babar Mahmood Mirza
Member

Muhammad Aasim Gul
Member

Muhammad Afzal
Secretary

Underwriting, Reinsurance & Co-insurance Committee

Ali H. Shirazi
Chairman

Babar Mahmood Mirza
Member

Rashid Amin
Member

Syed Nasir Hussain
Member

Syed Irtiza Kazmi
Secretary

Claims Settlement Committee

Frahim Ali Khan
Chairman

Babar Mahmood Mirza
Member

Muhammad Aasim Gul
Member

Muhammad Saeed
Member

Athar Maqsood Paracha
Secretary

Risk Management & Compliance Committee

Babar Mahmood Mirza
Chairman

Muhammad Aasim Gul
Member

Rashid Amin
Member

Muhammad Saeed
Member

Athar Maqsood Paracha
Secretary

Compliance Officer

Omer Yousaf

Information Technology Committee

Babar Mahmood Mirza
Chairman

Muhammad Aasim Gul
Member

Rashid Amin
Member

Abdul Razzaq Ghauri
Member

Wasim Ahmed
Secretary

Management Committee

Babar Mahmood Mirza
Chief Executive Officer

Muhammad Aasim Gul
Chief Financial Officer

Rashid Amin
General Manager Business
Development

Abbas Sajjad
General Manager Sales & Marketing

Muhammad Saeed
General Manager Claims

Qudsia Naheed
General Manager HR & Admin

Abdul Razzaq Ghauri
General Manager IT

Syed Irtiza Kazmi
General Manager Underwriting

Syed Nasir Hussain
General Manager Reinsurance

Shariah Advisor

Mufti Zeeshan Abdul Aziz

Head of Window Takaful Operations

Muhammad Mustansar

Chief Information Security Officer

Ali Riaz

Auditors

BDO Ebrahim & Co.
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Haroon Dughal Law Chambers

Tax Advisor

EY Ford Rhodes
Chartered Accountants

Share Registrar

Hameed Majeed Associates (Pvt.) Limited
H. M. House, 7-Bank Square,
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Tel: (92-42) 37235081-82
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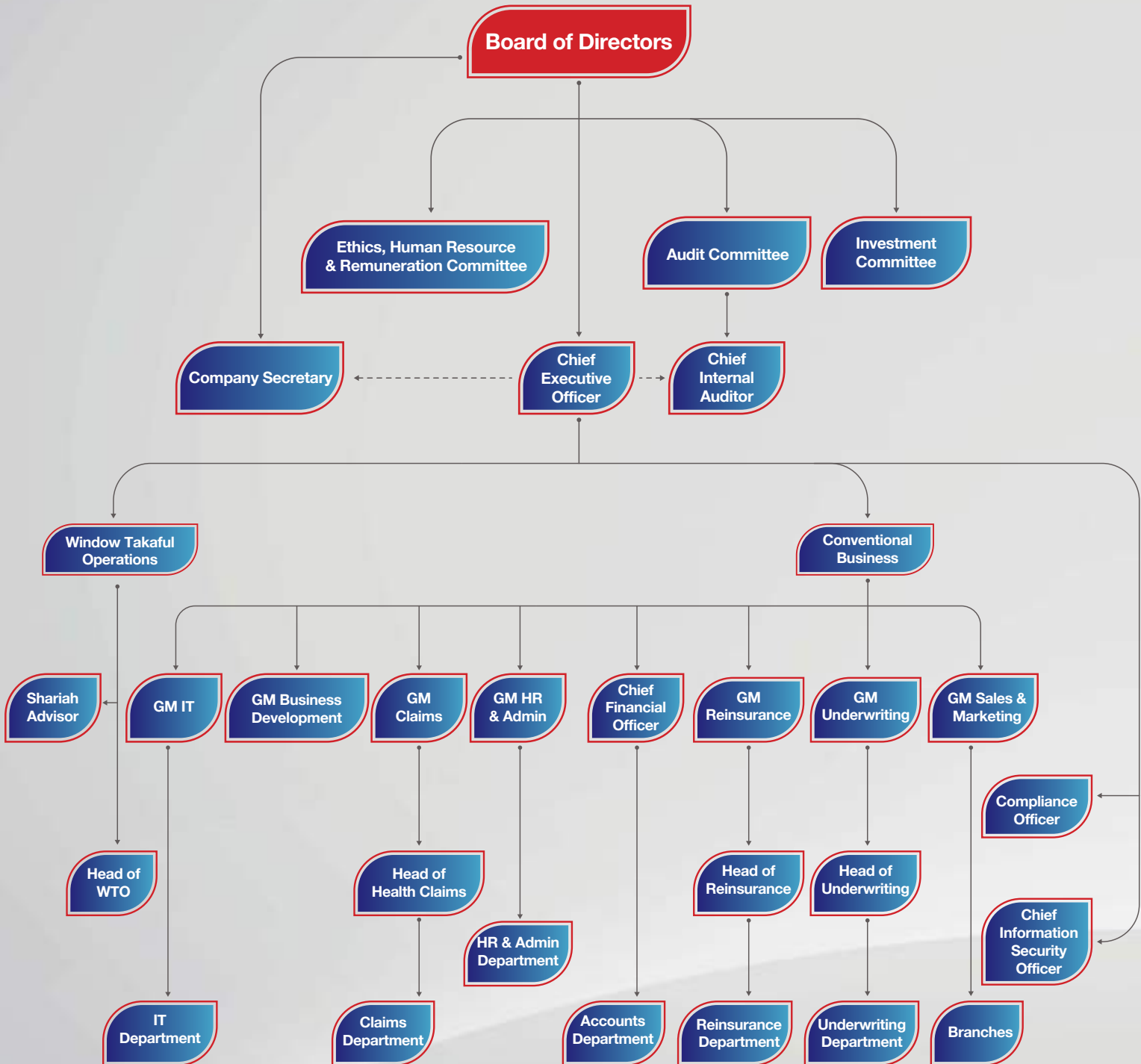
Bankers

Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Limited
Bank Makrarmah Limited
Faysal Bank Limited
FINCA Microfinance Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
Mobilink Microfinance Bank Limited
National Bank of Pakistan
NRSP Microfinance Bank
Sindh Bank Limited
Soneri Bank Limited
United Bank Limited

Registered and Head Office

63/A, Block - XX, Phase III (Commercial),
Khyaban-e-Iqbal, DHA, Lahore.
UAN: 111 245 000 (KHI & LHR)
Tel: (92-42) 37132611-18,
Fax: (92-42) 37132622
Email: info@ail.atlas.pk
Website: www.ail.atlas.pk

COMPANY ORGANOGRAM



----- Administrative reporting

———— Functional reporting

AWARDS AND ACCOLADES

Best Corporate Report Award by the joint committee of ICAP and ICMAP

2003 | 2006 | 2007

2008 | 2009 | 2010

2011 | 2015

Best Presented Accounts Award by South Asian Federation of Accountants (SAFA)

2006 | 2007 | 2008

2009 | 2010 | 2011

Highest Underwriting Profitability Award by Insurance Journal

2012 | 2013

2014 | 2015

Merit Certificate by the joint committee of ICAP and ICMAP

2019 | 2020 | 2021

2022 | 2023 | 2024

Top-25 Companies Award by KSE

2005



BUSINESS MODEL

Our sustainable approach to distribution and marketing helps us to create value for a wide group of stakeholders, from reinsurers to customers.

We use our strength and employ our resources and relationships to deliver sustainable growth in earnings for our shareholders. The 'Atlas Way' principle helps us in strengthening our position in Pakistan's insurance industry.



ATLAS CULTURE

- Corporate Governance.
- Respect, Recognition and Reward.
- Value of time.
- Recruitment and career advancement based on integrity, merit, experience and skills.
- Education and training of staff and descendants.
- Self reliance.
- Leading by example.
- Humility and Excellence.
- Living within one's means, saving for the future and donating for good cause.
- To be safe, happy and healthy.



ATLAS SYSTEMS

- Management by Objectives (MBO) to align activities towards agreed company goals.
- Implementing 7'S vision (Strategy, Structure, System, Style, Staff, Skills and Shared values) for the Company.
- Inducting and retaining competent and skilled staff – right man for the right job.
- Using BCG model for strategic direction.
- Creating value through implementation of internal controls (SOPs and policy manuals).
- Management development to produce performers, organization builders and strategists.
- Active participation in management meetings for continuous performance improvement.
- Ensuring accuracy and control of information / data through efficient MIS.
- Judicious sharing of profitability between employee bonuses, dividend payout and profit retention.

Capitals Inputs

Financial Capital

- Paid up capital: Rs. 1,494 billion
- Equity: Rs. 10,986 billion
- Total assets: Rs. 24,366 billion
- Diversified investment portfolio: Rs. 16,052 billion
- Bank deposits: Rs. 1,179 billion

Human Capital

- Respect, Recognition and Reward
- Skilled, experienced and competent team
- Total employees: 265
- Training and development programs
- 3 C's

Manufactured Capital

- An Atlas Group Company
- 'AA+' financial rating from PACRA
- Top tier audit firm
- Fast and effective process flow
- Property, Plant and Equipment: Rs. 527.73 million
- Dedicated doctor for health claims

Social and Relationship Capital

- Reinsurance arrangements with leading reinsurers
- Distribution network consisting 29 branches
- Leading workshops on board for motor claims
- Panel of leading hospitals across the country
- Panel of approved surveyors

Intellectual Capital

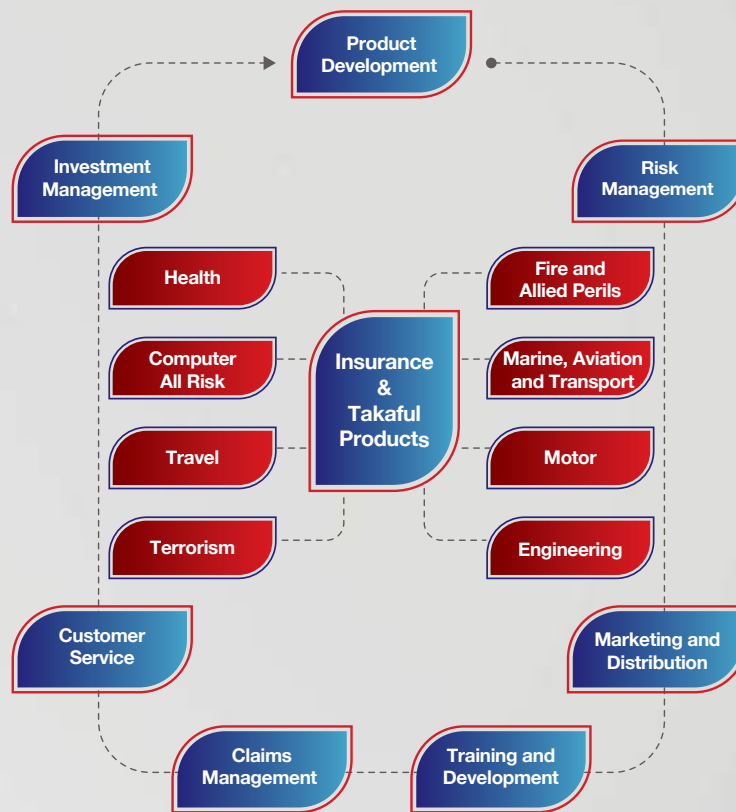
- CORE integrated business ERP
- Web portal for business associates
- Secured connectivity and communication

Natural Capital

- Go Green initiative
- Insurance of Renewable Energy Projects

Business Activities

VISION & MISSION



Value Creation Outputs

Financial Capital

- Gross premium and contribution: Rs. 8,315 billion
- Profit after tax: Rs. 2,077 billion
- Earnings per share: Rs. 13.90
- Return on equity: 23.13%
- Dividend payout ratio: 61.2%

Human Capital

- Organization Development through Self Development
- Ratio of female employees: 10%
- High employees retention ratio
- Regular training programs

Manufactured Capital

- Established brand and loyal customers
- 'Atlas' - a renowned brand
- Satisfied customers
- Insureds satisfaction on claims management

Social and Relationship Capital

- Better relationship with international reinsurance
- Good association with insurance brokers
- Long-term association with hospitals, dealers and other stakeholders
- Donations to NPOs
- Sponsoring seminars for public welfare

Intellectual Capital

- Comprehensive and effective MIS support by Dashboards
- Mobile Apps
- Providing ease to employees, customers and other stakeholders

Natural Capital

- Reduction in energy cost
- Paperless environment through digitalization
- Efficient use of electricity and water

CODE OF CONDUCT

POLICY AND PROCEDURES FOR ENGAGEMENT OF STAKEHOLDERS



Being the one of the oldest insurance companies in the country, the Company's services has an effect on diverse group of stakeholders. The perception, and needs of these group of stakeholders shape the Company's business and in turn its success. Identifying the group of stakeholders allows the Company to understand the issues, formulate strategies and deliver according to their expectations.

The engagement process initiates with the identification of stakeholders. The Company defines stakeholders as those who are potentially affected by the Company's operations or who have an interest in or influence on the Company's business. After identification of stakeholders, the most important step is of communication with the stakeholders to ascertain their needs and wants which affect the Company and formulating strategy to cater the identified factors. The Company's range of stakeholders includes shareholders / investors, employees, customers, agents, reinsurers, public, government & regulators, industry associations & representative bodies and media. Process and frequency of consultations with stakeholders, topics identified and the Company's responses to the same are as follows:

Stakeholders	Frequency and Method of Engagement	Areas Identified	Strategy
Shareholders / Investors Individuals or corporates which have invested in capital of the Company	Ongoing <ul style="list-style-type: none"> Website with Company's financial and non-financial data Notices, circulars, announcements and interim reports Annual <ul style="list-style-type: none"> Annual General Meeting Annual Reports 	<ul style="list-style-type: none"> Good rate of return Sound and prudent management Presentation of minority interest 	<ul style="list-style-type: none"> Prudent underwriting for maximization of returns Professional, knowledgeable and honest management Optimal mix of independent and Non-Executive directors
Insured Subscribers of Company's services	Ongoing <ul style="list-style-type: none"> Communication through agent network Dedicated claims department Customer Feedback Web Portals 	<ul style="list-style-type: none"> Service quality and availability Fair market practices Transparent communication Market competitive rates 	<ul style="list-style-type: none"> Providing high quality of service Efficient customer service Timely claim settlement
Reinsurers Insurers that provide reinsurance / retakaful treaties and facultative business	Ongoing <ul style="list-style-type: none"> Quarterly accounts submission Reconciliations / Adjustments Annual <ul style="list-style-type: none"> Reinsurance / retakaful contracts 	<ul style="list-style-type: none"> Timely payment Opportunity and negotiation Shared development Fair market practices 	<ul style="list-style-type: none"> Appointment based on transparent procedures & evaluation criteria Mutually beneficial relationships

Stakeholders	Frequency and Method of Engagement	Areas Identified	Strategy
Agents Distributors of the Company's services	Ongoing <ul style="list-style-type: none"> • Direct communication with agents • Agent training and education programs Annual <ul style="list-style-type: none"> • Annual / bi-annual sales conferences 	<ul style="list-style-type: none"> • Transparent communication • Equal business opportunities • Fair return 	<ul style="list-style-type: none"> • Constructive and favorable mutually beneficial outcomes
Public Neighborhood	Ongoing <ul style="list-style-type: none"> • Sponsorship for seminars, sports and other awareness campaigns on various issues concerning public at large • Internship programs • Contribution in charity and disaster programs recovery efforts 	<ul style="list-style-type: none"> • Opportunity for employment and business relationship • Value creation for the society 	<ul style="list-style-type: none"> • Invariably contribution in the charity • Fair job opportunities • Business on fair terms, without any discrimination
Government & Regulators Federal & provincial governments, SECP & PSX	Ongoing <ul style="list-style-type: none"> • Filing of statutory forms, documents, prescribed returns, assessments and other information as per applicable laws and regulations • Participation in government initiatives, regulation and policy working groups 	<ul style="list-style-type: none"> • Compliance with legal and regulatory requirements and adherence to policies and guidelines in true letter and spirit 	<ul style="list-style-type: none"> • Ensure timely compliance with legal and regulatory requirements • Contribute to the economy through taxes and other payments
Financial Institutions Institutions through which the Company transacts payments and makes investments	Ongoing <ul style="list-style-type: none"> • Face to face meetings • By contracts • Web portals 	<ul style="list-style-type: none"> • Good rate of return on investment • Sound and prudent risk management • Security of investment 	<ul style="list-style-type: none"> • Good credit rating • Portfolio management • Increase in income
Employees Crucial resources for the implementation of management's decisions for achieving Company's goals	Ongoing <ul style="list-style-type: none"> • Communication through line managers and supervisors • Newsletters and other communications • Whistle blowing mechanism • Training and development programs • Bi-annual performance appraisals 	<ul style="list-style-type: none"> • 3 R's - Respect, Recognition and Reward • Clearly defined roles, responsibilities and goals • Performance management and development 	<ul style="list-style-type: none"> • Recruitment and career advancement based on integrity, merit, experience and skills • Education and training of staff and descendants
Industry associations & representative bodies Insurance Association of Pakistan	Ongoing <ul style="list-style-type: none"> • Periodic submission of information on Company's • Providing periodical operational data 	<ul style="list-style-type: none"> • Compliance with regulations and protection of interest of members of associations and representative bodies 	<ul style="list-style-type: none"> • Ensure compliance and actively participate in key business and industry initiatives within the constraints of legal frameworks and requirements

STRATEGIC OBJECTIVES

The Company is determined to follow its key strategic objectives and measure the same against the yardstick set by the Company. These strategies to achieve the objective are regularly monitored and remain relevant in measuring ongoing progress.

Objectives	Nature	Strategy	Resource Allocation Plan	KPIs	Actual Results
Highest level of customer satisfaction and value for money	Short to long term	<ul style="list-style-type: none"> • Designing product that satisfy the need of the customers • Multiple channels of delivery i.e. agent network, digital channels, and others. • Trained and professional staff for providing high quality of services 	<ul style="list-style-type: none"> • Intellectual Capital • Social and Relationship Capital 	<ul style="list-style-type: none"> • Policy issuance period • Claim settlement period • Workshop and hospital network • Market share • Value growth 	<ul style="list-style-type: none"> • New customers • Network of workshops and hospital • No complaints with pending
Sales expansion in all segments of insurance	Short to long term	<ul style="list-style-type: none"> • Market penetration through expansion in branch and agent network • Providing quality services 	<ul style="list-style-type: none"> • All Capitals 	<ul style="list-style-type: none"> • Sales • Profitability • Market share 	<ul style="list-style-type: none"> • Increase in revenue by 14% • Profitability of Rs. 2.077 billion achieved
Compliance with laws & regulations and CSR	Short to long term	<ul style="list-style-type: none"> • Strong internal control framework • Strong compliance oversight • Qualified and experienced staff 	<ul style="list-style-type: none"> • Human Capital • Intellectual Capital • Financial Capital 	<ul style="list-style-type: none"> • Number of compliances • Reporting awards • Profit sharing 	<ul style="list-style-type: none"> • No fine imposed for non-compliance • Clean audit and code of corporate governance reports • Portion of profit donated annually
Workplace health and safety	Short to long term	<ul style="list-style-type: none"> • To increase the efficiency and effectiveness of the employees, a conducive and nourishing environment is provided • SOPs and best practices are implemented and adopted 	<ul style="list-style-type: none"> • Human Capital • Manufactured Capital • Financial Capital • Social and Relationship Capital 	<ul style="list-style-type: none"> • Employee turnover and feedback on surveys • Workplace accident 	<ul style="list-style-type: none"> • No discord by any employee reported • No major accidents took place
Right person for the right job	Short to long term	<ul style="list-style-type: none"> • Hiring staff on merit basis • Training and education • Succession planning of potential associates • Job rotation and career development • Encourage ideas from bottom to top 	<ul style="list-style-type: none"> • Human Capital • Financial Capital 	<ul style="list-style-type: none"> • Average training per employee • Number of successors • In-house or intra group transfer 	<ul style="list-style-type: none"> • Altogether 1,944 and 87 associates benefited from internal trainings and external trainings / conferences, respectively during the year.
Optimum cost levels	Short to long term	<ul style="list-style-type: none"> • Cost efficiencies through centralized dealing • Technological advancements 	<ul style="list-style-type: none"> • Manufactured Capital • Human Capital • Financial Capital 	<ul style="list-style-type: none"> • Effective use of resources • Reduction or sustenance of costs 	<ul style="list-style-type: none"> • Transfer to inverter technology and LEDs

Relationship between Company's Results and Management's Objectives

The management has set objectives after detailed analysis and consideration which includes numerous factors such as market conditions, economic affairs of local and international markets, prevailing industry norms, operations, available resources, financial capacity, liquidity, historical experiences and customer needs.

The Company focuses on superior quality of service, product innovation, HSE improvement and initiatives for highest level of customer satisfaction.

Significant changes in Management Objectives and Strategies

There have been no significant changes in objectives and strategies of the Company as compared to previous year.

OUR KEY RESOURCES & CAPABILITIES AND RESOURCE ALLOCATION

Organizational resources represent the assets at an entity's disposal for the delivery of services. The strategic objectives of an organization rely on the judicious utilization of these resources, highlighting the interdependent nature of resource allocation and strategy execution. The success of the Company can be attributed, among other factors, to meticulous and well-thought-out resource allocation planning, as well as the careful implementation and monitoring of these plans.

Financial Resources

Financial resources, often referred to as 'Financial Capital,' constitute a fund pool accessible to an organization for service provision. Financial Capital is acquired through sources such as equity, operational earnings and investments. Several key factors influencing the accessibility, quality, and affordability of financial capital encompass the political environment, general economic conditions, and fiscal and monetary policies. The effective and efficient utilization of the company's financial capital is governed by guidelines established by the Board. The following provides a concise overview of the primary financial resources and their management:

Cash and Liquidity Management

The primary goal of the cash and liquidity management function is to maintain sufficient liquidity for meeting claims liabilities while also investing surplus funds to generate income. During the year, the Company disbursed Rs. 2,319.63 million (2024: Rs. 2,376.94 million) and Rs. 387.65 million (2024: Rs. 289.82 million) in payments for claims to insured and takaful participants, respectively, and Rs. 1,270.03 million (2024: Rs. 821.77 million) in dividends to shareholders.

Investment Management

The investment portfolio of the Company is managed by the investment advisors, Atlas Asset Management Limited, appointed by the Board. The overall policy of the investment advisors remains to invest the funds in fundamentally sound securities with good dividend yield and growth prospects while maintaining appropriate balance between fixed income and equity securities in accordance with Company's Investment Policy. The investment performance is reviewed regularly by the Investment Committee and reported to the Board periodically.

Human Capital

Human capital, also known as 'Human Resource' plays a critical role in diverse areas, encompassing strategic planning, company image, customer satisfaction, legal compliance, and more. Therefore, the significance of Human Capital in achieving organizational strategic objectives cannot be overstated.

Key factors influencing the availability, quality, and affordability of human capital include:

- Market competition for attracting and retaining experienced and skilled personnel.
- Continuous professional development through training to enhance the skill set of human resources, especially in adapting to digitalization and managing remote / hybrid work environments.
- A flexible culture that provides ample growth opportunities.

The Company boasts a team of 265 employees with the requisite experience, skills, and qualifications to effectively handle day-to-day operations. Regular training sessions are conducted to augment the staff's skills, and the management actively plans succession for key positions. The Ethics, Human Resource, and Remuneration Committee of the Board oversees this function.

Manufactured Capital

Manufactured capital pertains to physical objects created and available for use by an organization. Key considerations for the availability, quality, and affordability of manufactured capital involve:

- Potential delays in receiving necessary equipment from service providers.
- Implementation of a comprehensive 'Business Continuity Plan' to ensure the availability of essential property and equipment during unexpected disruptions.

The Company's physical assets fall into distinct categories, including land, buildings, furniture and fixtures, vehicles, and computers. All these assets are efficiently utilized for business purposes and are safeguarded against potential threats through insurance coverage. Access to Company premises is monitored using surveillance cameras and security personnel. Each asset is recorded in the Fixed Assets Register and tagged for identification. Planned and surprise physical verifications are conducted periodically. Continuous improvement and upgrading of information technology infrastructure are prioritized to enhance operational efficiencies and meet the demands of digitalization.

Intellectual Capital

Intellectual Capital encompasses intangible organizational knowledge, including 'Intellectual Property' such as patents, copyrights, software, rights, and licenses, as well as knowledge, systems, procedures, and protocols. Key factors presenting challenges to the availability, quality, and affordability of intellectual capital include:

- Continuous enhancement and upgrading of information technology infrastructure to achieve operational efficiencies and meet the demands of digitalization.
- Growing competition to attract and retain adequately experienced and skilled human resources.

With over 91 years of operations, the Company has made significant investments in its information technology infrastructure. Drawing from its operational experience, the Company has refined, standardized, and documented its operating procedures. These procedures, incorporate innovations necessary to respond to changes initiated by external factors. The library of these procedures is effectively and efficiently utilized to introduce new and alternative products, expand the customer base, and consequently increase profits.

Social and Relationship Capital

Shared values and behaviour, essential stakeholder connections, intangible links to the organization's brand and reputation, and the social license to operate are components of social and relationship capital. Necessary considerations for the availability, quality, and affordability of social and relationship capital include:

- Identifying and meeting the evolving needs of various stakeholders.
- Providing a work environment that prioritizes the health and safety of the staff.
- Advocating and monitoring a culture of strict adherence to laws, regulations, and ethical standards to uphold and enhance the positive public image of the Company.

The Company acknowledges the significance of social and relationship capital, with a commitment to prioritizing customer satisfaction in all interactions. Healthy relationships have been maintained with customers, agents, surveyors, reinsurers, reinsurance brokers, vendors, banks, and all other stakeholders.

Natural Capital

Natural Capital encompasses all renewable and non-renewable environmental resources and processes that offer services supporting the historical, present, or future prosperity of an organization. This includes air, water, land, minerals, forests, and more. Natural capital establishes the ecosystems essential for human survival. It is important for organizations to effectively manage natural capital to prevent long-term harm to ecosystems.

Key considerations for natural capital management include:

- Protecting the environment by reducing carbon footprints.
- Cultivating a culture that promotes the efficient utilization of natural resources.

The Company actively contributes to environmental sustainability by transitioning towards paperless operations, implementing energy-conserving technologies, promoting plantation efforts across all premises, and encouraging the efficient use of water to minimize wastage. The commitment to fostering a green office environment remains a continuous effort for the Company.

Factors Affecting Strategy and Resource Allocation

The Company actively responds to the effects of various factors on its strategy and resource allocation.

1. Technological Changes

- The Company acknowledges the rapid pace of technological advancements and positions itself as an early adopter to drive innovation.
- Continuous enhancement of processes through advanced digital technologies aims to improve customer experiences, streamline operations, and foster long-term growth.
- Embracing technological innovations enables the Company to stay ahead in meeting the evolving demands of modern consumers.

2. Environmental, Social, and Governance (ESG) Reporting and Challenges

- Recognizing the significance of (ESG) considerations, the Company actively engages in ESG reporting and addresses associated challenges.
- Efforts to promote sustainability and inclusivity are integrated into corporate strategies, reflecting a commitment to responsible business practices.
- By transparently reporting on ESG metrics and initiatives, the Company enhances accountability and builds trust among stakeholders.

3. Promotion of Innovation

- The Company has a culture of innovation, fostering an environment conducive to creativity and problem-solving.
- Initiatives aimed at promoting innovation include investment in research and development, fostering partnerships with technology providers, and encouraging employee-driven innovations.
- By nurturing a culture of innovation, the Company remains agile and responsive to changing market dynamics and consumer preferences.

4. Addressing Resource Shortages

- The Company proactively manages resource shortages by implementing efficiency measures and strategic resource allocation.
- Optimization of existing resources and investment in sustainable practices help mitigate the impact of resource constraints.
- Collaboration with stakeholders and adoption of innovative solutions contribute to resilience in the face of resource challenges.

The Company's strategic responses to above factors reflect its commitment to adaptability, sustainability, and long-term growth. By embracing change and leveraging opportunities, the Company positions itself for continued success in a dynamic business environment.

RISK MANAGEMENT

Risk and Opportunity Report

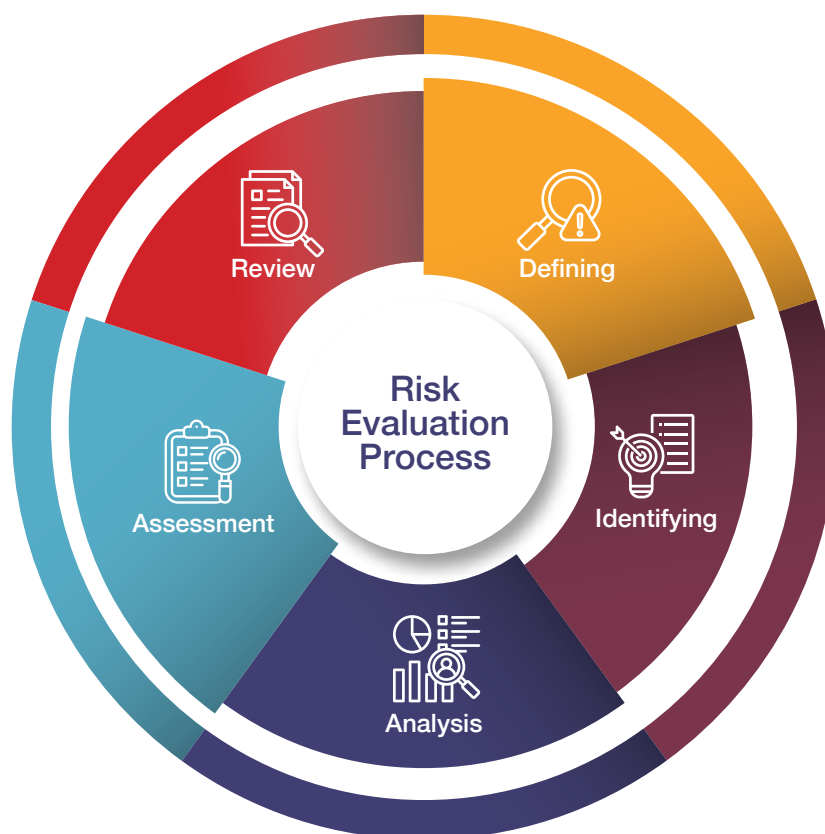
We manage and monitor risks and factors that could impact our plans for long-term sustainable growth.

Defining Risk

Risks are uncertain events that could materially impact business objectives – negative for threats and positive for opportunities. We recognize that risk is inherent in all business activities and must be balanced when assessing returns. Successful management of these risks is therefore key for accomplishing our strategic objectives and the long-term sustainable growth of our business.

Risk Management

To achieve an informed understanding of our tolerance for risks when delivering our overall business plan, we must be mindful that the objective of risk management is not necessarily to eliminate risk, but to ensure that the risks we do accept remain within a predetermined level of acceptability and control while pursuing value-enhancing opportunities. The ultimate goal of risk management within Atlas Insurance is to continually assess the control environment to prevent and build resilience against any internal or external shocks, both anticipated and unforeseen.



Enterprise Risk Management (ERM)

ERM is the process to identify and address the potential events that represent risks to the achievement of strategic objectives, or to opportunities to gain competitive advantage.

Governance

The Board of Directors (the Board) provides guidelines on strategic matters and organizational objectives. However, the Company level risk management is the responsibility of the Risk Management & Compliance Committee (the Committee). The Committee regularly reviews the business risk profile, risk management policy, risk assessment procedures, related counter strategies and advises on future actions.

Strategy Formulation

The management has developed a set of objectives that represent stakeholders' expectations and are leading indicators for determining the success level of the Company. In order to ensure the achievement of the set objectives, the management adopts certain strategies. These strategies are subject to change, depending upon any changes in the external business environment or internal organizational factors.

Risk Assessment

Businesses face numerous uncertainties that can pose potential threats if not addressed, may culminate in losses. Such uncertainties can arise both from external as well as internal factors.

Counter Measures

Upon identification of risk factors, counter measures are devised to mitigate their impacts. The severity of the risk will determine the criticality of the counter measures and will accordingly set its priority for action. Risks and their related counter strategies are monitored on continuous basis and evaluated for any changes in related impacts.

Opportunity Analysis

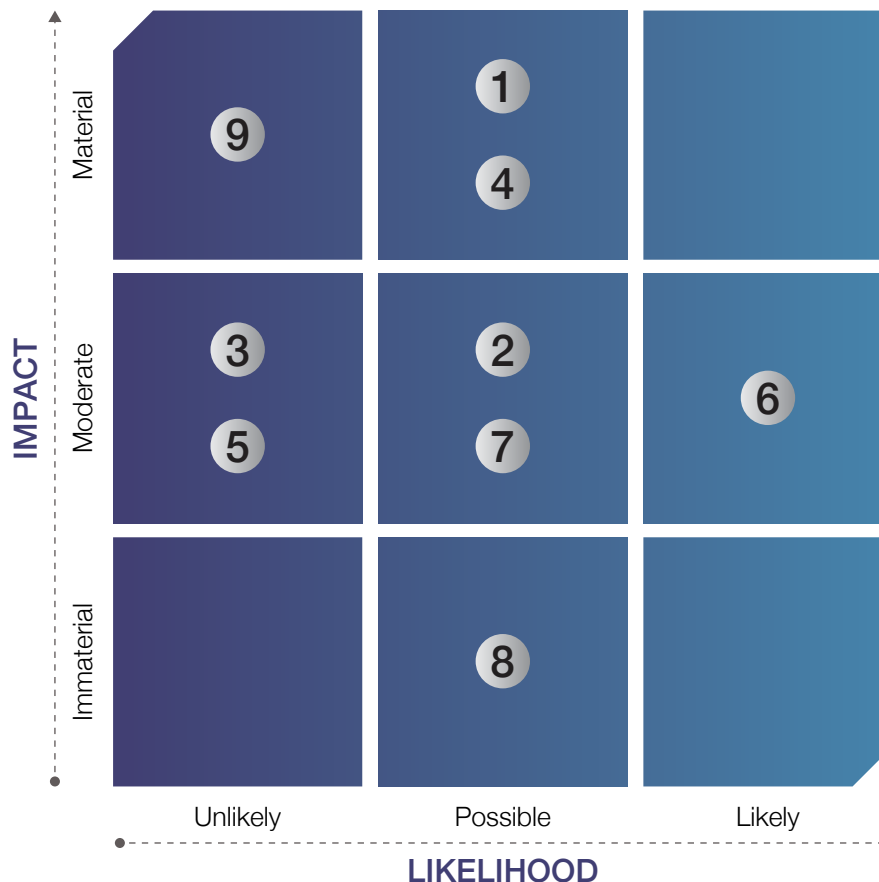
The Company has adequate processes and procedures in place for identifying potential gaps in the external environment which, may be explored as opportunities to improve performance.

BOD on ERM

The management is committed for effective risk management systems and controls. The following measures have been taken by the Company:

- Prepared ERM framework to establish and maintain effective systems and controls to manage business risks. Sound ERM framework ensures that all risks are identified, measured, monitored, and controlled on an ongoing basis.
- Established a Risk Management and Compliance Committee at management level which comprises one Board member and cross-functional business executives who review and monitor the risks and their overall exposure. This Committee has the responsibility to ensure that the risk management program is implemented in true spirit.
- The Company also has the Risk Tolerance and Appetite mechanism, aiming for improved risk management. These enhancements seek to streamline strategies and ensure effective risk assessment. This initiative underscores the importance of robust risk frameworks to navigate uncertainties and uphold financial stability.
- The senior management has the responsibility to identify, assess, manage, and report the risk factors in a timely manner. The functional heads also have the responsibility to develop a list of risks being faced by their respective units, both current and anticipated, along with the risk profile and action plans to mitigate those risks.

On a periodic basis, the key risk updates are shared with the Risk Management and Compliance Committee, alongwith details of how they are being addressed by management.



Key Risks

Following are the key risks that affect the Company, along with their sources, consequences and methods to deal with them:

Sr. No.	Risk	Source	Consequence	Mitigations	Opportunities
1.	<p>Economic Risk</p> <p>Changes in economic environment such as interest rates, exchange rates affects performance of the Company.</p>	External	<p>Volatile economic, political, and financial market conditions may cause hurdles in overall business scenario. The insurance sector also faces challenges arising from the economic and political scenario.</p>	<p>The Company has diversified its business procurement strategies if one segment of the economy is affected the business is grown to other economic sectors so that the affect of economic slow down is mitigated. The Company has cautious underwriting and marketing approach to deal with such risks and keeps working on developing innovative products to maintain and increase its market share without compromising its underwriting profitability.</p>	<p>It ensures continuity of operations without disruption.</p>
2.	<p>Insurance Risk</p> <p>Peril that is insured in the policy, in turn transforms into potential to cause financial loss, if they occur.</p>	External	<p>The risk under any insurance contract is the possibility that the insured event may occur and the uncertainty of quantum of the resulting claims. Generally most insurance contracts carry the insurance risk for a period of one year.</p>	<p>The Company's risk exposure is mitigated by employing a comprehensive framework to identify, manage and monitor risk under the insurance contracts. This framework includes implementation of underwriting strategies which aim to ensure that the underwriting risks are well diversified in terms of type and amount of the risk and provide adequate spread. Suitable reinsurance is arranged to mitigate the effect of potential loss to the Company from large or catastrophic insured events.</p>	<p>It enables the Company to underwrite prudently and mitigate any unforeseen loss.</p>
3.	<p>Regulatory Risk</p> <p>The risk that change in rules and regulations will materially impact the way the business is being conducted.</p>	External	<p>The Company is operating in a highly regulated industry. Any failure to meet those regulatory requirements would expose the Company to various consequences and may also cause reputational risk.</p>	<p>The Company ensures compliance with all the required regulations. The compliance department ensures timely compliance with all the regulatory requirements.</p>	<p>To operate with least volatility and low occurrence of unforeseen variables.</p>
4.	<p>Investment Risk</p> <p>The risk that the return on investment is below the expected return.</p>	External	<p>Changes in the macro economic factors may affect the stock market and interest rates which impacts the Company's cash flows and profitability.</p>	<p>The Company continuously monitors the investment portfolio to ensure a balanced asset mix, which can provide better returns on investments.</p>	<p>To maximize the return on investments.</p>

Sr. No.	Risk	Source	Consequence	Mitigations	Opportunities
5.	Liquidity Risk The risk that resources are not enough to settle all the obligations in timely manner.	External	The Company may not be able to meet its financial obligations towards insured and other stakeholders.	To avoid difficulty in meeting obligations, the Company ensures that it has sufficient liquidity available to meet its claims and other liabilities. It includes measuring and monitoring of future cash flows, maintaining sufficient cash reserves and a portfolio of highly liquid financial assets which can be easily encashed in the event of an unforeseen interruption to cash flows.	Having enough liquid assets to meet the obligations at all the time.
6.	Cyber Risk Risk of financial loss, disruption or damage to the reputation due to failure of its Information Technology systems.	External / Internal	The Company is prone to cyber attacks either internally or externally.	The Company has implemented strong controls including firewall, antivirus solutions, backup and recovery systems to minimize the risks posed by cyber attacks.	Aim is to maintain a strong IT control environment, which can monitor and timely react to emerging cyber and security threats. We strive to embed more intelligent controls over the time.
7.	Reinsurance Risk Default in payment by reinsurance company.	External	Reinsurance ceded does not relieve the Company from its obligation to the insured, as the Company is still liable for the portion of claims reinsured, even in case of any delay or default by any reinsurer to discharge its obligation in time.	The Company has diversified reinsurance arrangements. It is neither dependent on a single reinsurer nor dependent on any single reinsurance contract. The Company obtains reinsurance cover only from reinsurers of sound financial health and good international rating. Reinsurance arrangements in place include treaty and facultative arrangements, on proportional and non-proportional basis including cover of any catastrophic event.	To be able to negotiate better terms with well reputed reinsurers.
8.	Operational Risk Risk that any incident will disrupt the operations of the Company.	External / Internal	The Company is susceptible to disruption of regular business operations.	The Company has an effective Business Continuity Plan (BCP) in place to ensure that operations of the Company shall continue in case of any emergency such as lockdown or other disruptions.	Development of alternative BCP under different scenarios.
9.	Human Capital and Environment Risk Human resource is the most valuable asset in any business, especially in service industry, but at the same time it is also the most vulnerable asset.	Internal	Failure in providing a safe working environment, attracting and retaining the capable and skilled resource, may lead to illness, injury, loss of precious business time.	Market based remuneration are offered and adjustments are made at the annual appraisals. Different perks are offered like group insurance, health insurance voluntary pension schemes, and gratuity. Training is regularly provided across the board.	Targeted personnel development and training is helping to generate ideas and suggestions that make significant contributions to Company success as well as employees development and retention.

CYBERSECURITY FRAMEWORK

Information Technology (IT) has become a vital and integral part of every business plan. The pervasive use of IT in business has now become elemental in the business world. The role of IT, in the Company, has also become instrumental for the availability of secure and uninterrupted flow of information, resultantly IT has attained a pivotal role in core business operations. Due to the core business activities' dependency on IT services, the security of IT system and its associated facilities have become more critical than ever.

Keeping this in view, the SECP has issued the Guidelines on Cybersecurity Framework for Insurance Sector in 2020. These SECP guidelines precisely described the guiding principles to meet the adequate level of cyber security in Insurance Sector.

The Company, due to the sensitivity and importance of the matter, immediately responded in developing Cybersecurity Framework in 2020. Following are the highlights of Cybersecurity Framework:

- Chief Information Security Officer (CISO) has been designated having sound IT education and relevant experience,
- Cybersecurity assessment report has been formulated to update the senior management for its implementation and compliance,
- Cybersecurity framework is capable to secure the Company's core business activities with its clients and associates,
- For any third party IT service rendered (outsourced), appropriate security measures have been put into place under Cybersecurity Framework,
- Cybersecurity Framework clearly describe the Business Continuity Plan in case of any unseen disaster,
- On regular basis, IT system reviews are being conducted for all nationwide office premises,
- Annually an external communication / connectivity penetration testing is conducted to determine the possible vulnerabilities in the IT system,
- Information Asset Register (IAR) and Risk assessment and treatment register has been developed to manage information assets and risks to them.
- Continuous monitoring of network infrastructure, critical systems, and email security has been implemented to detect, prevent, and respond to potential cybersecurity threats.
- Security awareness training programs have been conducted for employees to mitigate risks arising from phishing and social engineering attacks.

Above all the Company's management is committed to ensure the implementation and compliance with Cybersecurity Framework in its true spirit.

Statement on Assessing and Enforcing Legal and Regulatory Implications of Cyber Risks

IT governance constitutes an essential component of the corporate governance framework, ensuring the alignment of IT strategy with business objectives, resource optimization, delivery of IT value, performance measurement, and effective implementation of IT risk management.

The Company acknowledges its responsibility to evaluate and enforce the legal and regulatory ramifications of cyber risks. It actively monitors and addresses changes in laws and regulations concerning cybersecurity, including the Copyright Ordinance, 1962 and the Prevention of Electronic Crimes Act, 2016. In instances of breaches or significant risks, the management assumes responsibility for ensuring appropriate actions are taken, in accordance with legal and regulatory requirements, to effectively manage the situation. There was no cybersecurity breaches reported during the year.

IT Governance and Cybersecurity Programs

The Company has effective IT governance and cybersecurity programs, policies, and procedures, to safeguard its information assets and mitigate cyber threats. These programs align with industry-specific cybersecurity requirements and best practices. Regular evaluations and updates are conducted to address emerging risks and technological advancements. The cybersecurity strategy includes proactive measures to anticipate, withstand, detect, and respond to cyberattacks, adhering to international standards and best practices.

Integration of Cybersecurity into the Board's Risk Oversight Function

The Board acknowledges the importance of cybersecurity. It engages with management to ensure effective management of cybersecurity risks aligned with the Company's risk appetite. Regular updates on the Company's cybersecurity posture, including threat landscape assessments, incident response plans, and progress in implementing cybersecurity initiatives, are provided to the management, integrating cybersecurity considerations into its decision-making processes.

Oversight of IT Governance and Cybersecurity Matters by a Board-Level Committee

The Audit Committee, oversees acceptable IT risks and relevant controls exercised by the management to mitigate risks below specified thresholds. An IT Committee has been formed, comprising of members from different functions of the management which meets quarterly to advise and assist management in implementing the Company's IT strategy, including Cyber Security Management.

Early Warning System for Cybersecurity Risks and Incidents

The Company has implemented an efficient early warning system for the identification, assessment, and timely communication of cybersecurity risks and incidents. This system enables pre-emptive monitoring and detection of potential threats, facilitating prompt response. It includes mechanisms for continuous monitoring of IT infrastructure, regular security assessments, threat intelligence sharing, and incident reporting protocols.

Independent Comprehensive Security Assessment and Third-Party Risks:

The Company mandates independent comprehensive security assessments of its technology environment, including evaluations of third-party risks. External experts conduct these assessments to evaluate the effectiveness of the Company's security controls, identify vulnerabilities, and recommend improvements.

Resilient Contingency and Disaster Recovery Plan:

The Company has developed a resilient contingency and disaster recovery plan to effectively respond to potential IT failures or cyber breaches. This plan outlines strategies, processes, and resources required to mitigate disruptions and restore critical systems and operations promptly.

Advancement in Digital Transformation:

Embracing digital transformation such as B2B & B2C, digital imaging and cloud computing, the Company enhances transparency, reporting, and governance. These technologies are strategically implemented to optimize operational efficiency, streamline processes, enhance data security, and enable data-driven decision-making, contributing to improved agility, scalability, and innovation across various aspects of the organization.

Education and Training Efforts to Mitigate Cybersecurity Risks:

Recognizing the pivotal role of education and training in mitigating cybersecurity risks, the Company implements comprehensive programs to educate employees about cyber threats, promote cybersecurity awareness, and provide guidance on safe computing practices. Regular training sessions, workshops, and awareness campaigns equip employees with the necessary knowledge and skills to identify and respond to cybersecurity risks, embedding the significance of cybersecurity throughout the organization.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

Atlas Insurance Limited, recognizes its responsibilities for the occupational safety, health and environment of its associates and asset in all business areas of the Company and society as a whole. Among our top priorities is to promote good health, high level of safety and meticulous care of working environment. Meeting our business targets, in compliance with appropriate HSE standards is of prime importance to us and it is the continuation of a long legacy of Atlas Group's responsible business practices that reflect our corporate culture.

Atlas Insurance Limited is committed to:

- Implement and maintain a comprehensive HSE Management System to mitigate risk to human capital, equipment and assets.
- Comply with all the applicable laws / regulations to implement HSE standards in all areas and activities of organization.
- Provide safe and healthy workplaces for our employees, contractors, visitors and other service providers.
- Establish challenging targets and measures and report progress to ensure continuous improvement in HSE performance.
- Minimize impact on environment by following best environmental friendly practices.
- Regularly provide HSE related information and training to associates to enable them to effectively discharge their responsibilities and contribute towards compliance with the Group's HSE policy.



WHISTLE BLOWING POLICY

The Company is committed to create an atmosphere ensuring accountability and integrity in its conduct. A Whistle Blowing policy has been in place as part of Company's effort to provide a mechanism for raising alert against any wrongdoing, malpractice or impropriety. This is intended to further improve governance and service quality.

The policy sets out the procedures for lodging of concerns by the employees, handling of concerns by the organization, reporting requirements, protection of whistleblower and periodic monitoring of the policy. The employees are encouraged to use the guidance provided by the program.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY














Approach to Sustainability

The Company's framework is a product of the Atlas Group's fundamental business doctrine, the 'ATLAS WAY'.

It comprises of the principles of 'ATLAS CULTURE' and 'ATLAS SYSTEMS' as given in business model of the Annual Report. These are a set of rules and procedures which have sustained the test of time and proved to be at the heart of the Company's success. The principles of the 'ATLAS WAY' cover all departments, operations, activities and aspects of our business and provide ideal guidelines for their progressive development. It guides us to pursue operational and financial results while maintaining environmental quality, workplace safety and social responsibility.

To achieve sustainable growth in this era of ever-changing technologies and new innovations, the Company needs to be at brisk with its changing environment. The Company always been open to women and youth empowerment and has always been eager towards fulfilling its responsibilities in the society.

Sustainable Development Goals

 <p>01 NO POVERTY</p>	<ul style="list-style-type: none"> Always contributes a portion of its profit to NPOs. 	 <p>02 ZERO HUNGER</p>	<ul style="list-style-type: none"> Contributed food items towards the flood effected people. 	 <p>03 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> Seminars for physical and mental health development of staff.
 <p>04 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> External and inhouse seminars, trainings and management course for skill and knowledge development. 	 <p>05 GENDER EQUALITY</p>	<ul style="list-style-type: none"> Equal opportunity employer and encourage woman environment. 	 <p>07 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> Reduction power usage with the use of LEDs and inverter technology enable devices.
 <p>08 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> Safe and conducive environment for working with favorable growth and economic indicators. 	 <p>09 INDUSTRY INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> Enabling paperless environment and use of technology for work from home for reduction in use of resources. 	 <p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> Personnel from all regions, religions and caste and creeds are hired impartiality.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> Providing products for better condition of living for all including agriculture and livestock. 	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> Reduction in use of disposable products and promoting and adopting paperless environment. 	 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> Promoting and adopting paperless environment and using ozone safe electric products.
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> Persevering with high level of ethics and complying with all regulatory requirements including AML / CFT / CPF. 				

Working Towards Sustainability

- Ambulatory of personnel: The Company emphasizes on personnel development, as it is the Company's firm belief that progress of its employees are directly related to Company's progress.
- Empowering the society: The Company follows the philosophy of training and enabling the community to become more resilient and self-reliant.
- Protecting our planet: The planet we live in is entrusted with us for our future generations, to fulfil our commitment to the generations to come, the Company has adopted multiple parameters for "Going Green".
- Investor favorable paradigm: The Company is committed to generating steady and consistent results for our investors through our robust, efficient and effective management.
- Customer royalty: The Company has a legacy of over 9 decades of service to the people and this in turn has made the Company one of the top rated insurance companies in Pakistan.

Environmental, Social & Governance (ESG)

Environmental

The impact of the insurance industry on the environment is generally limited as it operates within the services sector. Operations primarily involve the use of traditional energy sources for office and workplace lighting, and efforts are underway to optimize electricity consumption. However, the industry plays a significant role in building climate resilience in the agriculture sector. By providing crop

insurance services, the Company not only facilitates the transition of the farming and agribusiness sectors to a low-carbon economy but also protects crops from damage in the event of unfavorable weather-related catastrophes. This role is particularly crucial in Pakistan, given the substantial size and scope of its agricultural sector.

Social

As a responsible Company, we recognize our role in fostering a positive societal impact on our employees. Enhancing livelihoods, upholding human rights, and prioritizing the well-being of our people not only contribute value to the society but also represent a practical and commercial approach that ensures the long-term sustainability of our business.

While addressing attrition poses a significant challenge in the short term, we have undertaken various internal initiatives, with the recruitment of fresh talent being just one aspect. Our comprehensive efforts include programs such as role rotations, career development, and opportunities for career advancement. We aim to strike a balance by hiring both freshers and experienced professionals from the market.

In our commitment to solidify social bonds, we have maintained our pay structures while offering comprehensive support to our workforce, aiding them in overcoming challenges. Additionally, focusing on productivity throughout the year has been a priority. By providing meaningful work and employment opportunities, we have played our due role in generating significant job opportunities in the country.

Governance

We have consistently upheld the belief that efficient corporate governance is a fundamental driver of our sustainable and long-term growth. Our dedication lies in achieving business objectives with transparency, openness, and accountability, maintaining a culture of integrity in every aspect of our operations. Recognizing the broad impact of our actions and behavior across all facets of our business, corporate governance holds significant importance for us.

The Company's ESG agenda is reinforced by a resilient governance framework comprising policies, procedures, principles, and standards aligned with best practices and tailored to meet domestic requirements. The leadership team bears ultimate responsibility for delivering the Company's ESG agenda, with implementation driven by a cross-functional working group collaborating with relevant departments and functions to achieve specific targets.

Moreover, our organizational culture, interactions with internal and external stakeholders, and overall corporate conduct are grounded in key internal instruments outlined in our charter and Code of Conduct. Adherence to these policies, procedures, and standards is obligatory for all the employees. Regular training and awareness sessions are conducted to ensure a clear understanding and effective implementation of the policies.

Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP

The primary aim of the Corporate Social Responsibility (CSR) Guidelines is to foster the creation of a framework for CSR initiatives, urging the Company to collaborate with stakeholders in the pursuit of implementing a transparent and socially responsible strategy.

The Company is currently assessing the Corporate Social Responsibility (Voluntary) Guidelines, 2013, issued by the SECP, conducting a gap analysis between our existing CSR commitments and the initiatives mandated by these guidelines.

Based on our current comprehension, these guidelines encompass the following major CSR initiatives:

- Community investment (including skill development, livelihood, health, education, infrastructure, social enterprise development, safe drinking water, poverty alleviation, youth development, and environment conservation)
- Governance (encompassing human rights, transparency, anti-corruption, business practices, stakeholder relations, and responsible marketing)
- Product responsibility
- Work-life balance
- Safety (covering risk management and disaster management)
- Climate Change

Our Commitment to Addressing Integrity and Ethical Issues

The Company is dedicated to realizing its business goals with transparency, openness, and accountability, fostering a culture of integrity in all aspects of the operations:

- Adherence to policies, procedures, and standards is obligatory for all the employees. Regular training and awareness sessions are conducted to ensure a clear understanding of Company's policies.
- Implementation of an ongoing mechanism for integrity risk assessments.

Initiatives for Promoting and Enabling Innovation

The integration of innovation into its strategic objectives is a fundamental aspect for the Company, fostering a culture of innovation across the organization. A centralized structure for innovation has been established, giving rise to the formation of an Insurtech and Innovation Group. This group operates under the supervision of the Management Committee which comprises heads of all functions.

The primary goal of the Insurtech and Innovation Group extends beyond the development of Insurtech products. It encompasses the creation of new products, processes, and ideas, or the reimagining of existing ones. Additionally, the group actively encourages and explores new ways of thinking to design improved solutions, services, and address current challenges. The forum of our Insurtech and Innovation Group serves as a platform for fostering creativity and discussing innovative approaches.

Strategy to Manage Liquidity and Repayment of Debts

Liquidity denotes an organization's capability to meet its short-term obligations as they arise. Managing liquidity is crucial, as even profitable organizations may encounter operational challenges without sufficient funds or liquid assets. The focal point of the company's liquidity management strategy revolves around maintaining ample liquid assets to cover its claims and other liabilities. Liquidity considerations are factored into investment decisions, and a substantial bank balance with scheduled banks stands at Rs. 1,179.33 million (2024: Rs. 1,531.22 million). Additionally, the current ratio is 3.0 times (2024: 2.4 times) as of December 31, 2025. The liquidity position undergoes routine scrutiny under the supervision of the CFO. The Company doesn't have any debt.

Investments in Foreign Companies or Undertakings

The Company does not have any investments in foreign companies nor operate any foreign companies or undertakings.

Human Resource Policy

The Company embraces a Human Resource Accounting philosophy that views employees as crucial organizational resources. Investment in human assets involves costs for recruitment, selection, hiring, training, and development. The Company recognizes its employees as the asset within the financial service sector. Attracting and retaining quality human resources is taken as a key driver of future success and innovation, particularly in a rapidly evolving business environment with a heightened reliance on robust IT platforms and distribution channels.

The Company is committed to retain professionals with a deep understanding of the insurance sector. Regular engagement in training and development workshops ensures employees stay abreast of the latest industry developments. In a multi-cultural business environment, the Company aims to develop personality traits in employees, benefiting customer dealings and satisfaction, as well as improving internal interpersonal and inter-departmental communication flows.

The HR philosophy adopted by the Company has contributed to a dynamic and evolving workforce, with the staff turnover ratio adjusting to 2% this year from 10% in the previous year, supporting retention and organizational growth. Investment in Human Resource development has resulted in increased productivity, with combined gross premium and gross contribution written per employee for the current year at Rs. 31.38 million, showing a 4% increase from the previous year's of Rs. 30.22 million.

Management's Assessment of Tax

The Company maintains provisions for taxation in accordance with the applicable statutes. Contingencies related to direct or indirect taxation are disclosed in Note 24 of the financial statements. Based on analysis of tax provisions recognized in the financial statements for the previous years with tax assessments, the management assesses that maintained the provision for taxation is sufficient.

Solvency Margin

Regulatory authorities establish solvency requirements to ensure insurers possess sufficient capital and the ability to fulfill financial obligations as they arise. The solvency requirement, calibrated through a formula, incorporates quantifiable risks such as underwriting, market, credit, operational, and counterparty risks. In addition to meeting solvency requirements, regulator prescribed a minimum capital requirement, which is mandatory for the insurers

Minimum Capital Requirement (MCR)

The Company's paid-up capital is Rs. 1,494.16 million, well exceeding the minimum capital requirement limit of Rs. 500 million prescribed by the SECP.

Minimum Solvency Requirement (MSR)

The Company is obligated to maintain a minimum solvency as per the criteria outlined in the Insurance Ordinance, 2000, and in the Insurance Rules, 2017. Assessing its net admissible assets against the minimum solvency requirements, the Company consistently maintains net admissible assets well above the MSR. As of December 31, 2025, the Company holds excess net admissible assets over the minimum requirement by Rs. 2,734.04 million (2024: Rs. 2,320.16 million), reflecting a strong financial position. The net admissible assets are 3.51 times the minimum solvency requirement, indicating the Company's robust ability to meet both existing and potential financial liabilities.

Review of Assets Quality

The Company strategically manages its funds by assessing the credit quality of banking institutions where it places its funds. The aim is to maintain liquid deposits with financially robust institutions, evaluating likelihood of their default. This evaluation relies on external credit ratings issued by reputable agencies. As of the reporting date, 99.6% (2024: 99.2%) of bank deposits are placed with institutions rated A1 or higher for short-term ratings by the rating agencies.

While analyzing the creditworthiness of counterparties engaged in business transactions, the Company ensures the quality of their assets. Regular monitoring and periodic assessments of recoverable are conducted, with adequate provisioning based on the applicable framework. To mitigate concentration of credit risk, the Company diversifies the distribution of recoverable among entities with sound financial standings across various industrial sectors.

ACTIVITIES DURING THE YEAR

Retirement

The Company extended its heartfelt appreciation for years of dedicated service, commitment, and invaluable contributions by the employees. Their efforts have left a lasting impact on the organization. We wished them a fulfilling retirement filled with happiness, health, and cherished moments ahead.



Celebrating Diversity and National Spirit

The Company celebrated the significance of various national and international occasions such as Women's Day, Men's Day, and Independence Day. These moments provide an opportunity to recognize diversity, unity, and the valuable contributions of individuals in society and the workplace, while reaffirming our commitment to respect, inclusion, shared values, and collective progress.



Employee Benefit and Appreciation Programs

During the year, the Company continued its tradition of recognizing employee dedication through Long Service Awards and also supported staff welfare by providing Hajj funding assistance in accordance with Company policy. These initiatives reflect the Company's commitment to valuing its employees and promoting a culture of appreciation, respect, and support.



ACTIVITIES DURING THE YEAR

Professional Development

The Company remains committed to the continued professional development of its employees through various training programs, workshops, and learning initiatives conducted during the year. These efforts are aimed at enhancing skills, strengthening competencies, and supporting career growth, thereby contributing to improved performance, efficiency, and long-term organizational development.



Training and Capacity Building

During the year, the Company arranged various internal and external training programs to enhance the knowledge, skills, and professional capabilities of its employees. These training initiatives were designed to support continuous learning, improve operational effectiveness, and ensure that employees remain well-equipped to meet evolving business and regulatory requirements.



Employee Health, Awareness and Welfare Activities

During the year, the Company organized various employee welfare initiatives including health awareness sessions on breast cancer, calcium deficiency, malnutrition, and bone health, along with a recreational tour for staff. These activities were arranged to promote well-being, awareness, team building, and a healthy work environment within the organization.





SHAREHOLDERS' *INFORMATION*



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 91st Annual General Meeting (AGM) of the members of Atlas Insurance Limited (the Company) will be held on Monday, April 20, 2026, at 11:00 a.m. at the registered office of the Company situated at 63/A, Block-XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore, to transact the following business:

Ordinary Business

1. To confirm the minutes of the last AGM held on April 15, 2025.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2025, together with the Directors' and Auditors' Reports thereon.

As required under section 223(7) of the Companies Act 2017 (the Act) and in terms of S.R.O. No. 389 (I) / 2023 dated March 21, 2023, the Annual Report of the Company has been uploaded on the website of the Company, which can be downloaded from the following link / QR code:

<https://ail.atlas.pk/wp-content/uploads/2026/03/AIL-AR-2025.pdf>



3. To consider and approve final cash dividend @ 60% for the year ended December 31, 2025, as recommended by the Board of Directors, and ratify 25% interim cash dividend previously announced and disbursed to the shareholders during the year 2025.
4. To appoint auditors and fix their remuneration for the year ending December 31, 2026. The present auditors, BDO Ebrahim & Co., retire and being eligible, offer themselves for reappointment.

Special Business

5. To consider and, if thought fit, pass with or without modification, the following resolutions as special resolutions:

Resolved:

- 5.1 "that the authorized capital of the Company be and is hereby increased from Rs. 1,500,000,000 (Rupees fifteen hundred million only) to Rs. 3,000,000,000 (Rupees three billion only) by creation of 150,000,000 (one hundred and fifty million) new ordinary shares of Rs.10 each."

Further Resolved:

- 5.2 "that the Memorandum and Articles of Association of the Company be and are hereby altered by substituting the figures and words of Rs. 1,500,000,000 (Rupees fifteen hundred million only) divided into 150,000,000 (one hundred and fifty million) ordinary shares of Rs.10 each appearing in clause V of the Memorandum and clause 4 of the Articles of Association with the words and figures of Rs. 3,000,000,000 (Rupees three billion only) divided into 300,000,000 (three hundred million) ordinary shares of Rs.10 each."

Further Resolved:

- 5.3 "that the ordinary shares when issued shall carry equal voting rights and rank pari passu with the existing ordinary shares of the Company in all respect / matters in conformity with the provisions of the Companies Act, 2017."

Further Resolved:

- 5.4 "that the Chief Executive Officer and Company Secretary be and are hereby authorized, singly to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and to file requisite documents with the Registrar to effectuate and implement the aforesaid resolutions."

6. To consider and approve related party transactions for the financial year ended December 31, 2025, and the ensuing financial year ending December 31, 2026.

To give effect to the aforesaid, if thought fit, to pass with or without modification, the following resolutions as special resolutions:

Resolved:

- 6.1 "that the transactions carried out by the Company in the normal course of business with Atlas Foundation and Atlas Asset Management Limited (AAML), related parties, during the year 2025 be and are hereby ratified, approved and confirmed."

Further Resolved:

- 6.2 "that the Board of Directors be and is hereby authorized to approve all the transactions carried out in the normal course of business with Atlas Foundation and AAML during the ensuing year ending December 31, 2026."

Other Business

7. To consider any other business with the permission of the Chair.

The Statement under Section 134(3) of the Companies Act, 2017, pertaining to the special business referred to above, is being circulated to the members along with the Notice of the Meeting.

By Order of the Board



Muhammad Afzal
Company Secretary

Lahore: March 30, 2026

Notes:

- 1) The share transfer books of the Company will remain closed from April 06, 2026, to April 20, 2026 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers in good order, received at the office of Company's share registrar, Hameed Majeed Associates (Pvt.) Limited, 7 – Bank Square Sharah-e-Quaid-e-Azam, Lahore by the close of business on April 05, 2026, will be treated in time for the purpose of transfer of shares to the transferees.
- 2) A member entitled to attend, speak and vote at the AGM is entitled to appoint another person as his/her proxy to attend, speak and vote instead of him / her and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the AGM as are available to the member.
- 3) The duly completed instrument of proxy, and the other authority under which it is signed, or a notarial certified copy thereof, to be valid, must be received at the Registered Office of the Company not later than 48 hours before the time of the meeting.
- 4) Any change of address of members should be immediately notified to the Company's share registrar.
- 5) CDC Account Holders will further have to follow the following guidelines laid down in Circular No. 1 dated January 26, 2000, issued by the SECP:

A. For Attending the Meeting:

- i. In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per CDC Regulations shall submit the proxy form as per the above requirement showing the original Computerized National Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

- i. In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per CDC Regulations shall submit proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.
- iii. Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

6) Submission of CNIC or National Tax Number (NTN) or Passport

The shareholders are informed that as per Sub Clause 9 (i) of Regulation 4 of Companies (Distribution of Dividends) Regulations, 2017, the identification of the registered shareholder or its authorized person should be made available with the Company. Therefore, it is requested that shareholders must provide copy of their valid CNIC (in case of individual) or NTN (in case of other than individual) or Passport (in case of foreign individual) along with their folio number by mail or email to the Company Secretary or Share Registrar, unless it has been provided earlier.

7) Conversion of Physical Shares into Book-Entry Form

As per Section 72(2) of the Act, every existing company shall be required to replace its physical shares with book-entry form within four (4) years from the date of the promulgation of the Act. Further, vide its letter dated March 26, 2021, SECP has directed listed companies to pursue their shareholders who are still holding shares in physical form to convert the same into book entry form.

To ensure compliance with the provision, all shareholders having physical shareholding are encouraged to open a CDC sub-account with any of the brokers or an Investor Account directly with CDC to place their physical shares into scripless form. This will facilitate them in many ways, including safe custody and sale of shares, at any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

8) Participation in AGM through Electronic Means

The shareholders can now participate in the AGM proceedings via video link also. Those members who are willing to attend and participate in the AGM via video link are requested to register themselves by sending an email along with following particulars and valid copy of both sides of CNIC at "investor.relations@ail.atlas.pk" with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

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

Members who will be registered, after necessary verification as per the above requirement, will be provided with a password-protected video link by the Company via email. The said link will remain open from 10:45 a.m. on the date of AGM till the end of the meeting.

The shareholders can also provide their comments and questions for the agenda items of the AGM on our above-mentioned email.

9) Availability of Audited Financial Statements at the Company's website

The audited financial statements of the Company for the year ended December 31, 2025, have been made available on the Company's website "ail.atlas.pk" in addition to the annual and quarterly financial statements of prior periods.

10) Polling on Special Business and Procedure for E-Voting

In accordance with the Companies (Postal Ballot) Regulation, 2018, (the Regulations) the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all businesses classified as special business under the Companies Act, 2017, (the Act) in the manner and subject to conditions contained in the Regulations. Further details will be shared with the eligible shareholders in due course.

11) E-Dividend Mandate (Mandatory)

As per Section 242 of the Act, it is mandatory for the public listed companies to pay cash dividends to their shareholders only through electronic mode, directly into bank account designated by the entitled shareholders.

Therefore, all shareholders are requested to provide their valid bank account details (if it is not provided earlier) in the "Dividend Mandate Form", which can be downloaded from our website at the earliest. Shareholders maintaining shareholding under Central Depository System are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service.

In case of non-submission of valid bank account details, the Company will withhold the applicable dividend payments under the Companies (Distribution of Dividends) Regulations, 2017. Further, the information regarding gross dividend, tax / zakat deductions and net dividend will be provided through the Centralized Cash Dividend Register, therefore, shareholders should register themselves to CDC's eService's Portal.

12) Unclaimed Dividend

As per the provision of Section 244 of the Companies Act, 2017, any shares issued, or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to file their claims.

The details of the shares issued, and dividends declared by the Company which have remained due for more than three years were sent to shareholders, uploaded on the Company website and final notice was issued in the newspapers. In case, if no claim is lodged, the Company shall proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government.

13) Electronic Transmission of Annual Financial Statements and Notices

The Annual Audited Financial Statements / Annual Report and the Notice of AGM for the year ended December 31, 2025, have been placed on the Company's website, which can be accessed / downloaded from the following link and QR enabled code:

<https://ail.atlas.pk/wp-content/uploads/2026/03/AIL-AR-2025.pdf>



In compliance with Section 223(6) of the Act and relevant SECP Notifications, soft copies of the Annual Report 2025 are being emailed to those members who have provided their valid email addresses for communication. Other members who wish to receive the Annual Report 2025 via email may share their valid email addresses to the office of our Share Registrar or through email at "investor.relations@ail.atlas.pk."

Shareholders may request the Company Secretary or Share Registrar of the Company to transmit a hard copy of Annual Report 2025 by filing a 'Standard Request Form' available on Company's website and the same will be provided at his / her registered address, free of cost, within one week of receipt of request.

14) Deduction of Withholding Tax on the Amount of Dividend

The latest Active Taxpayers List (ATL) available on book closure date at Federal Board of Revenue (FBR) website would be considered to determine the status of filer or non-filer and tax will be deducted accordingly at the prescribed rates.

All shareholders are advised to take necessary action for inclusion of their names in ATL, to avoid higher rate of tax deduction. To claim exemption of withholding income tax on dividend amount, valid exemption certificate is required to be submitted to the Company Secretary / Share Registrar before book closure. Further, in respect of joint shareholders, their shareholding will be treated as equal for tax deduction purposes unless ratio / share (if any) is intimated by the shareholder to the Company Secretary / Share Registrar before book closure.

15) Zakat Declaration (CZ-50)

Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the share (Rs. 10 each) and will be deposited within the prescribed period with the relevant authority as per the prescribed regulations. In case of exemption, Zakat Declaration CZ-50 Form under Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981 shall be submitted to the Company Secretary / Share Registrar before book closure.

The shareholders must write Atlas Insurance Limited's name and their respective Folio Number or CDC Account Number on Zakat Declarations. In case shares are held in scripless, from such Zakat Declaration Form must be uploaded in the CDC account of the shareholder, through their Participant / Investor Account Services.

Further, non-Muslim shareholders are also required to submit solemn affidavit before book closure to the Company Secretary / Share Registrar in case of physical shares or with CDC Participant / Investor Account Services in case shares are in scripless form, to claim exemption from zakat deduction.

16) Non-distribution of Gifts

As required under SRO 452 dated March 17, 2025, no gifts shall be distributed at the General Meetings.

For any query / information, the investors may contact the Company / Share Registrar at the following address:

Company's Registered Office

63/A, Block-XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore.
UAN: 111-245-000 (KHI & LHR)
Tel: (92-42) 37132611 - 18
Fax: (92-42) 37132622

Share Registrar Office

M/s. Hameed Majeed Associates (Pvt.) Limited
H. M. House, 7 – Bank Square,
Shahrah-e-Quaid-e-Azam, Lahore.
Tel: (92-42) 37235081 - 82
Fax: (92-42) 37358817

Statement under Section 134(3) of the Companies Act, 2017

This Statement is annexed to the Notice of the 91st AGM of Atlas Insurance Limited to be held on April 20, 2026, at which certain special business is to be transacted. The purpose of this statement is to set forth the material facts concerning this special business.

Item No. 5 of the Agenda

The existing authorized share capital of the Company is Rs. 1,500,000,000/- (Rupees fifteen hundred million) divided into 150,000,000 (one hundred fifty million) ordinary shares of Rs. 10/- each.

To support the Company's growing paid-up share capital, the Board of Directors has proposed increasing the authorized share capital from Rs. 1,500,000,000 (Rupees fifteen hundred million) to Rs. 3,000,000,000 (Rupees Three billion only) by creating an additional 150,000,000 ordinary shares of Rs. 10 each. This increase will require corresponding amendments to Clause V of the Memorandum of Association and Article 4 of the Articles of Association to reflect the revised capital structure. Approval of this proposal through a Special Resolution will be sought from shareholders in the AGM.

The Directors of the Company have no personal interest in the increase of authorized share capital except to the extent of their shareholding in the Company.

Item No. 6 of the Agenda

Transactions conducted with associated companies (related parties) in the normal course of business are reviewed by the Board Audit Committee and approved by the Board of Directors on a quarterly basis.

However, in the case of transactions with Atlas Foundation and AAML, a majority of the Directors have an interest in these entities. Therefore, in accordance with Section 208 of the Companies Act, 2017 and Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, such transactions are required to be presented to the shareholders for approval at a general meeting.

Accordingly, the following normal business transactions carried out during the year 2025 with Atlas Foundation and AAML are being submitted to the shareholders for their approval and ratification:

(Rupees in thousand)

Nature of Transactions	Atlas Foundation	AAML
Premium underwritten	2,544	27,796
Premium collected	3,095	31,002
Claims paid	436	6,263
Rent / lease paid	2,496	-
Fee paid	-	9,267
Dividend paid	34,933	-
Finance cost	544	-
Donations paid	31,112	-
Investments in Mutual Funds (Conventional / OPF / PTF)	-	93,245
Dividend received from Mutual Funds (Conventional / OPF / PTF)	-	33,230

Names of the Directors with interest as Directors in the related parties:

Mr. Iftikhar H. Shirazi, Mr. Ali H. Shirazi, Mr. Fahim Ali Khan and Mr. M. Habib-ur-Rahman, the Directors of Atlas Insurance Limited, are also Directors of Atlas Foundation and AAML.

CORPORATE INFORMATION

Registered Office

63/A, Block-XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore.
UAN: 111-245-000 (KHI & LHR)
Tel: (92-42) 37132611 - 18
Fax: (92-42) 37132622

Listing on Stock Exchange

Atlas Insurance Limited is listed on Pakistan Stock Exchange (PSX).

Stock Symbol

The stock symbol for Atlas Insurance at the Stock Exchange is ATIL.

Listing Fee

The annual listing fee for the financial year 2024-25 was paid to the PSX and CDC within the prescribed time.

Statutory Compliance

During the year, the Company complied with all applicable provisions of the Companies Act, 2017, the Insurance Ordinance, 2000, the Code of Corporate Governance, listing requirements and regulations prescribed by the SECP.

91st Annual General Meeting

Date: April 20, 2026
Time: 11:00 a.m.
Venue: 63/A, Block-XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore.

Financial Calendar

Audited annual results for year ended December 31, 2025
- Second half of February

Circulation of annual reports
- First half of March

Annual General Meeting
- Second half of April

Unaudited first quarter financial results
- Second half of April

Unaudited half year financial results
- Second half of August

Unaudited nine months' financial results
- Second half of October

Dividend Announcement

The Board of directors of the Company has proposed a final cash dividend of Rs. 6.0 per share for the financial year ended December 31, 2025, subject to approval by the shareholders at the AGM. This is in addition to the 25% interim cash dividend already disbursed during the year 2025.

25% interim and 60% final cash dividend was disbursed for the year ended December 31, 2024.

Closure of Share Transfer Books

The share transfer books of the Company shall remain closed from April 06, 2026 to April 20, 2026 (both days inclusive).

E-Dividend

In compliance of the Section 242 of the Companies Act, 2017, it is mandatory for a public listed company to pay cash dividend to its shareholders ONLY through electronic mode, directly into bank account designated by the eligible shareholder. Therefore, the shareholders who have still not provided their Bank Account Number / IBAN and other banking details are requested to provide the same to the Company at the earliest. Please be aware that dividends will only be remitted through electronic mode to the designated bank accounts and in absence of E-Dividend mandate, such cash dividends will be withheld by the Company.

Annual General Meetings

Pursuant to Section 132 of the Companies Act, 2017, Annual General Meetings of the shareholders are held at least once every year. Every shareholder has a right to attend these meetings. The notice of such meetings is sent to all shareholders at least 21 days before the meetings and published in one English and one Urdu newspaper having circulation both in Karachi and Lahore.

Proxies

Pursuant to Section 137 of the Companies Act, 2017 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at general meetings of the Company can appoint another person as his / her proxy to attend and vote on his / her behalf. Procedure for appointment of proxies is stated in every notice of such meetings. The instrument appointing a proxy (duly signed by the shareholder) must be received at the registered office of the Company not later than forty-eight hours before the meeting.

Communication

Address of the share registrar for correspondence and other relevant matters is as follows:

M/s. Hameed Majeed Associates (Pvt.) Limited
H. M. House, 7 – Bank Square,
Shahrah-e-Quaid-e-Azam, Lahore.
Tel: (92-42) 37235081 - 82
Fax: (92-42) 37358817

Zakat Declarations

Members are requested to submit declaration for Zakat on the required format and to advise change in address, if any.

Share Price at the Pakistan Stock Exchange

Month-wise share price movement of the Company, at the Pakistan Stock Exchange, during the year 2025 was as follows:

Months	High	Low	Volume
January	60.38	55.55	175,085
February	63.50	57.50	147,792
March	67.80	56.25	427,161
April	61.89	52.00	131,500
May	60.00	50.64	102,957
June	61.00	55.00	166,554
July	94.01	58.58	630,177
August	91.00	78.01	422,656
September	111.80	72.11	1,825,078
October	100.00	79.00	1,615,919
November	84.90	75.00	213,937
December	79.98	72.15	2,312,814

ACCESS TO REPORTS AND ENQUIRIES

Annual Reports

Annual Reports can be downloaded from the Company's website: "ail.atlas.pk" or printed copies may be obtained by writing to:

The Company Secretary,
Atlas Insurance Limited,
63/A, Block-XX, Phase III (Commercial),
Khyaban-e-Iqbal, DHA, Lahore

Quarterly Reports

The interim reports are published at the end of first, second and third quarters of the financial year. The interim reports for the year 2025 can be accessed at Atlas Insurance's website or printed copies can be obtained by writing to the Company Secretary.

Shareholders' Enquiries

Shareholders' enquiries regarding status of their shareholdings, dividends, bonus or any other matter may be directed to the share registrar at the following address:

Hameed Majeed Associates (Pvt.) Limited,
H. M. House, 7 - Bank Square,
Sharah-e-Quaid-e-Azam, Lahore.
Tel: 042-37235081-82

DECISIONS TAKEN AT THE LAST AGM

No significant issues were raised by the shareholders during the last AGM held on April 15, 2025. As per the agenda, the following matters were discussed and approved in the meeting:

1. Approval of the minutes of the last AGM held on April 15, 2024.
2. Approval of the audited financial statements for the year ended December 31, 2024, along with Directors' and Auditor's reports.
3. Approval of annual 60% and interim 25% cash dividend for the year ended December 31, 2024.
4. Appointment of BDO Ebrahim & Co. as auditors of the Company for the year 2025 and fixation of their remuneration.
5. Approval of related party transactions.

MATTERS RAISED IN THE LAST AGM OF THE COMPANY

The AGM of the Company was attended by shareholders of the Company including minority shareholders. The meeting was also attended by the Chairman of the Audit Committee to answer any queries and matters within the scope of the audit committee's responsibilities. During the meeting, there were no significant matters / issues raised except for discussion on the agenda items. Major decision taken at the last AGM forms an integral part of Annual Report.

EFFORTS TO ENGAGE MINORITY SHAREHOLDERS

The Company values all shareholders equally and consider them an integral part of the Company. The Company facilitates all shareholders including minority shareholders to attend and take part in AGM. The Company has taken multiple steps to increase the participation of minority shareholders, few are as follows;

- Circulation of the notice of AGM both in English and Urdu newspapers having wide circulation in multiple cities,
- The Company has been conducting general meetings through video link, minority shareholders' participation has further improved, as the convenience of attending the meeting from anywhere,

- The notice of AGM is sent to all shareholders at least 21 days before the date of meeting,
- Placement of AGM notice on the Company's website and
- The Company ensures that participation through Proxy is hassle free experience

During the meeting also, the minority shareholders are encouraged to provide their insight, and their concerns and suggestion are duly recorded as a part of continuous improvement process.

INVESTORS' RELATIONS

Investors are one of the main stakeholders of the Company. The Company values its relationship with investors and have a dedicated section for Investors' relationship and ancillary financial and non-financial information, the link for the Investors' section is "<https://ail.atlas.pk/investors-relation/>". The Company always strives to provide accurate, correct, and precise information to the investors through quarterly and annual financial statements, and on the website. The information on the website is kept upto date.

CORPORATE BRIEFING SESSION OF THE COMPANY

Corporate Briefing Session is being held annually to brief investors regarding the performance of the Company and future outlook. This year, corporate briefing session was held on November 17, 2025. During the meeting the management briefed the following matters about the Company:

- Company's profile,
- Company's branch network,
- Strategic / operational developments,
- Company's performance over the last six years and
- Company's performance for the 9 months period ended September 30, 2025 in comparison with same period last year.

Thereafter a question and answer session was held. For more details on corporate briefing session, please refer the presentation delivered during the meeting, placed on our website link: "<https://ail.atlas.pk/wp-content/uploads/2025/11/CBS-2025-ATIL.pdf>"

GRIEVANCE / FEEDBACK SYSTEM

The Company believes in protecting interest of its investors, shareholders and insureds. The shareholders give their feedback in general meetings and are encouraged to do so. It allows the Company to have a good understanding of their views on operations and decisions. Accordingly, an online "Grievance/ Feedback System" has been established that provides an avenue for reporting and resolution of all complaints/queries on timely basis for both the investors and insureds. A designated webpage has been created which is "<https://ail.atlas.pk/investors-relation/>" to facilitate investors and "<https://ail.atlas.pk/grievance-function/>" to facilitate insured for submission of queries/grievances and feedbacks. In addition, complaints and suggestions can also be received in writing, duly addressed to designated personnel as mentioned on the website. All grievances / queries are resolved and communicated to the investors and insured on timely basis after due verification procedures.

SIGNIFICANT PLANS AND DECISIONS

The Company has a long history of continuous growth. The Company believes in systematic and strategic capacity building. Our long legacy of over 91 years is a proof of our commitment and portray our success story. The Company is committed to identifying new markets to expand in and enhancing it capacity to serve. This will in turn expand the business and provide our shareholders the desired return on investment.

INTERNATIONAL STANDARDS ADOPTED

International standards adopted for best corporate reporting practices are as follow:

- Integrated reporting framework

EFFECT OF SEASONALITY ON BUSINESS IN TERMS OF SALES

It includes the recurring pattern of sales during a specific period. There are multiple factors effecting the quantum of sales during a period. Some of the major effects are as follows;

Reason	Effect
Reporting Period	The companies align the insurance coverages with their financial reporting period, due to which there is an increase in sales during April and July for all lines of business especially fire and motor.
Occasions / Holidays	There is an increase in buying pattern during different occasions, especially traveling during holidays. Increase in motor and travel insurance can be seen.
Season	Increase in agriculture insurance is seen during the start of sowing of Rabi and Kharif crops.
Import / export	Restrictions on imports can hinder the volume of marine business during the restricted periods.

SIGNIFICANT CHANGES FROM PRIOR YEARS

No major decision was taken regarding restructuring of the Group.

GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS

The Company's commitment to the highest levels of moral and ethical values is demonstrated by voluntary adoption of best business practices in addition to the stipulated regulatory requirements. Some of the governance practices exceeding legal requirements that have been adopted by the Company includes:

- Best reporting practices recommended by ICAP / ICMAP;
- Adoption of PSX criteria for selecting top companies;
- Disclosure of various financial analysis including ratios, reviews, risk matrix and graphs etc., and
- Implementation of Health, Safety and Environment strategies to ensure safety of employees.

UNRESERVED COMPLIANCE OF IFRS ISSUED BY THE IASB

Company's financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

EXTERNAL OVERSIGHT

External Audit: BDO Ebrahim & Co., Chartered Accountants, serve as the statutory auditors, conducting audits on financial statements and providing a Management Letter outlining any control deficiencies identified during the audit.

Compliance with Corporate Governance Codes: BDO Ebrahim & Co., Chartered Accountants, reviewed the Company's compliance statements with the Code annually.

Shariah Compliance: BDO Ebrahim & Co., Chartered Accountants, conducted Shariah compliance audits.

STATEMENT OF CHARITY ACCOUNT

The Company paid amount of Rs. 31.11 million during the year 2025 to Atlas Foundation on account of charity / donation. The Foundation has played its role in promoting centers of professional education with the commitment that what has come from the society should be shared with the society.

SHARE PRICE SENSITIVITY ANALYSIS

Key Sensitivities

Company's financial performance has a positive correlation with its share price. As such the factors that influence Company's performance can also be expected to have an impact on its share price. Following factors can be considered as sensitive to affect Company's share price:

Earnings

News released on earnings, profits and future estimated earnings develop investor's interest in the stock of the Company.

Dividend Announcement

Consistency in dividend payouts will reflect the expectations of shareholders and this affects the share price.

Introduction of New Insurance Products

This could lead to positive topline growth which could have an impact on bottom line affecting the share price.

Industry Performance

Government policies specific to industry like Takaful business could result in movement of the share price.

Investor Confidence

Positive economic reforms can attract investors.

Economic Indicators

An economic outlook could include expectations for inflation, productivity growth, unemployment and balance of trade. Changes around the world can affect both the economy and share price.

Law and Order

Unstable law and order situation impacts disturbance and interruptions in business process. An act of terrorism can also lead to a downturn in economic activity and a fall in share price.

Change in Government Policies

Government policies could be perceived as positive or negative for businesses. The policies may lead to changes in inflation and interest rates, which in turn may affect share price.

Investor Sentiment

Investor sentiment or confidence can cause the stock market to go up or down, which can cause share prices to rise or fall. The general direction that the stock market takes can affect the value of a stock:

- Bull market - a strong market where stock prices are rising and investor confidence is growing. It is often tied to economic recovery or an economic boom, as well as investor optimism.
- Bear market - a weak market where stock prices are falling and investor confidence is fading. It often happens when an economy is in recession and unemployment is high with rising inflation.

MAJOR EVENTS

1ST QUARTER

JANUARY, FEBRUARY, MARCH

January

Annual Sales Conference

Field executives of the Company and Group Director Financial Services attended the Annual Sales Conference held on February 06, 2025 and February 07, 2025 at Pearl Continental Hotel, Karachi.

February

BOD Meeting for the Year Ended December 31, 2024

The Board of Directors approved the audited financial statements of the Company for the year ended December 31, 2024 in their meeting held on February 28, 2025.

2ND QUARTER

APRIL, MAY, JUNE

April

Annual General Meeting

90th Annual General Meeting of the Company was held on April 15, 2025.

Disbursement of Cash Dividend

60% final cash dividend was disbursed on April 15, 2025.

BOD Meeting for the 1st Quarter

BOD meeting for the 1st quarter ended March 31, 2025 was held on April 23, 2025 to approve the unaudited financial statements of the Company.

3RD QUARTER

JULY, AUGUST, SEPTEMBER

August

Mid Year Sales Conference

Mid year Sales Conference was held in Pearl Continental Hotel, Bhurban, on July 31, 2025, and was attended by the Group Director Financial Services and field executives of the Company.

BOD Meeting for the 2nd Quarter

The meeting of the BOD was held on August 27, 2025 for approval of the financial statements, for the period ended June 30, 2025.

Financial Strength Rating

The Pakistan Credit Rating Agency Limited maintained the Insurer Financial Strength rating of the Company to 'AA+' with stable outlook, which denotes a very strong capacity to meet policyholders and contract obligations.

4TH QUARTER

OCTOBER, NOVEMBER, DECEMBER

October

BOD Meeting for the 3rd Quarter

The meeting of the BOD was held on October 27, 2025 for approval of the unaudited financial statements, for the period ended September 30, 2025 and directors declared 25% interim cash dividend.

November

Disbursement of Cash Dividend

25% interim cash dividend was disbursed on November 14, 2025.

Corporate Briefing Session

Corporate Briefing Session was held on November 27, 2025 to brief the investors regarding the performance of the Company and its future outlook.

December

BOD Meeting for Approval of Annual Budget 2025

The Board of Directors meeting was held on December 17, 2025 in which budget for the year ending December 31, 2026 was approved.

FORWARD LOOKING STATEMENT

Analysis of Prior Period

The year 2025 witnessed gradual stabilization in the macroeconomic environment compared to the preceding year. While the year began with cautious optimism, GDP growth projections were revised upward by several international agencies, reflecting a modest recovery in economic activity. Large-scale manufacturing showed improvement during the year, supported by increased public and private consumption, a gradual recovery in industrial output, and relatively supportive policy measures.

Despite these positive developments, the operating environment remained challenging for the insurance industry. Tight financial conditions and subdued activity in certain sectors of the economy continued to impact overall business sentiment and demand for insurance coverage. The industry also faced continued pressure on claims management and operating costs.

Within this environment, the Company maintained stability in its financial performance through prudent underwriting practices, disciplined risk selection, and effective cost management. Improved investment income during the year also supported overall profitability. The Company's continued focus on operational efficiency, claims management, and service delivery enabled it to navigate the challenging conditions while maintaining strong relationships with policyholders and business partners.

Forward Looking Statement

Looking ahead, the economic outlook for 2026 appears relatively more encouraging. Supported by a more accommodative monetary policy stance, continued engagement with international financial institutions, and ongoing structural reforms, GDP growth is projected to improve to approximately 3.7% in FY-26. Improvements in the external account position, moderating inflationary pressures, and increased non-debt foreign inflows are also expected to contribute to a gradual strengthening of economic activity.

For the insurance sector, the anticipated improvement in economic conditions, coupled with continued infrastructure development and expanding commercial activity, is expected to support gradual growth in insurance demand. However, the sector is likely to remain competitive and will continue to require strong underwriting discipline, effective claims management, and prudent investment strategies.

In this context, the Company remains focused on strengthening its core underwriting operations while pursuing sustainable growth opportunities. By leveraging its service capabilities, expanding market outreach, and maintaining a disciplined approach to risk management and cost control, the Company aims to further reinforce its market position. Continued emphasis on operational efficiency, customer service, and prudent capital management will remain central to building long-term resilience and delivering sustainable value to stakeholders.

Source of Information and Assumptions Used for Projections / Forecasts

The Company prepares annual budgets and forecasts to manage business more effectively. The forecasting is done keeping in view the historical data and figures. Projections are developed based on macro and micro economic indicators, markets trends and research, international and local material price forecasts, data from regulatory and taxation authorities, seasonal variations and competitors' actions etc. Internal capacities are reviewed based on available data and alignment is planned to achieve the desired results.

Information is also generated internally from critical functions of the Company including Marketing, Operations, Information Technology, Human Resources, Finance etc., and the information collected is collaborated with the data compiled from the above sources for preparation of meaningful and practical forecasts which are adopted as formal plans for the Company.

Opportunity Report

As a leading insurer, the Company is in a position to avail and explore number of opportunities. Following is the summary of significant opportunities for the Company:

- Increase reach to all parts of the Country by expanding distribution network;
- Focus on insurance awareness through continuous investment in communication channels and market education;
- With increasing mobile penetration amongst the masses, utilize such platforms for customer interaction, awareness, marketing and sales and
- Expand general Takaful solutions through window operations.

Materiality Approach

The management believes materiality as a key component of an effective communication with the stakeholders. In general, matters are considered to be material if, individually or collectively, they are expected to significantly affect the performance and profitability of the Company.

REPORT OF THE BOARD AUDIT COMMITTEE

The Board Audit Committee (the Committee) comprises of three Non-Executive Directors, including the Chairman, who is an independent Director. Profiles of the Committee members are appearing in Directors Profile of the Annual Report 2025. The incumbent members are qualified finance professionals and the Committee as a whole possess economic, financial and business acumen.

The Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Internal Auditors attend the Committee meetings by invitation while the External Auditors attend these on requirement basis.

Financial Statements

The Committee has reviewed the conduct and operations of the Company for the year ended December 31, 2025, and reports that:

- The financial statements of the Company for the year ended December 31, 2025 have been prepared on a going concern basis under requirements of the Companies Act, 2017, Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012, the General Takaful Accounting Regulations, 2019 and International Financial Reporting Standards and other applicable Regulations.
- These financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cash flows and changes in equity for the year under review.
- The Committee reviewed quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board.
- All the related party transactions were reviewed by the Committee prior to approval by the Board.

Risk Management and Internal Controls

- The Company has an effective internal control framework which also include an Independent Internal Audit Function.
- The Internal Audit Function is responsible for monitoring of compliance, inherent and other risks associated with the internal controls and other areas of operations.

Internal Audit

- The Company's system of internal controls is sound in design and has been evaluated for effectiveness and competence.
- The Internal Audit Function has carried out its duties under the charter defined by the Committee. The Committee has reviewed material Internal Audit findings, taken appropriate actions and brought the matters to the Board's attention, where required.

External Auditors

- The Committee recommended appointment and remuneration of the external auditors for the financial year ended December 31, 2025.
- The Committee has discussed the audit process and observations of the external auditors regarding the preparation of the financial statements including compliance with the applicable Regulations.

FINANCIAL **HIGHLIGHTS**





SIX YEARS AT A GLANCE

(Rupees in million)

Description		2025	2024	2023	2022	2021	2020
Financial Data							
Paid-up capital	Rs.	1,494.2	1,494.2	1,494.2	933.8	849.0	849.0
Reserves & retained earnings	Rs.	9,491.5	6,673.2	3,276.8	2,651.3	3,327.5	3,926.3
Equity	Rs.	10,985.6	8,167.4	4,770.9	3,585.2	4,176.5	4,775.2
Underwriting provisions	Rs.	4,172.2	4,073.4	4,703.0	3,272.8	2,556.9	2,747.6
Liabilities including WTO operations	Rs.	7,338.5	5,849.3	3,806.9	2,692.3	2,584.4	2,139.0
Fixed assets - net	Rs.	527.7	331.1	230.1	221.3	147.6	159.8
Investments - at cost (net of impairment)	Rs.	6,462.5	5,685.6	4,322.0	3,466.5	3,803.9	3,296.2
Investments - at market value	Rs.	16,052.5	11,974.8	6,806.6	4,642.1	5,861.6	6,229.4
Prepayments, loans and other receivables	Rs.	1,563.0	1,372.0	1,314.2	929.5	749.4	674.2
Cash and bank deposits	Rs.	1,179.3	1,531.2	1,544.8	1,553.7	974.5	882.8
Total assets from window takaful operations - OPF	Rs.	690.1	579.8	449.7	399.3	273.9	195.3
Total assets from window takaful operations - PTF	Rs.	1,870.0	1,399.7	1,018.6	706.4	499.4	333.5
Total assets		24,366.3	18,090.0	13,280.8	9,550.3	9,317.8	9,661.7
Operating Data							
Conventional							
Gross premium revenue	Rs.	7,056.1	6,545.4	5,862.0	4,697.4	3,739.6	3,046.4
Net premium revenue	Rs.	3,543.6	2,884.3	2,382.2	2,132.9	1,830.7	1,405.3
Net claims	Rs.	1,053.7	777.2	702.5	721.2	622.2	449.6
Management expenses	Rs.	1,413.5	1,178.2	927.6	748.0	618.0	539.8
Net commission	Rs.	123.1	108.1	172.4	252.1	182.4	183.6
Underwriting result	Rs.	1,205.2	1,034.7	921.2	915.8	772.9	599.5
Investment income	Rs.	2,080.0	1,892.1	603.1	2.4	330.4	239.7
Profit before tax (PBT)	Rs.	3,393.4	3,111.2	1,822.6	1,095.6	1,181.5	907.8
Income tax	Rs.	1,316.6	1,222.4	815.5	376.3	346.1	262.3
Profit after tax (PAT)	Rs.	2,076.8	1,888.8	1,007.2	719.3	835.4	645.4
Window Takaful Operations							
Gross contribution revenue	Rs.	1,258.4	767.2	650.2	536.1	366.9	276.7
Net contribution revenue	Rs.	356.5	259.7	167.4	176.2	139.7	112.4
Surplus - PTF before tax	Rs.	95.8	203.9	43.3	33.1	19.3	27.0
Profit - OPF before tax	Rs.	122.7	136.3	109.2	87.0	54.2	44.4
Cash Flow Summary							
Operating activities	Rs.	(256.0)	247.8	589.7	828.7	1,060.6	635.4
Investing activities	Rs.	1,205.2	594.0	3.3	391.9	(156.3)	160.4
Financing activities	Rs.	(1,301.1)	(855.4)	(601.9)	(641.4)	(812.5)	(563.2)
Cash & cash equivalents at the year end	Rs.	1,179.3	1,531.2	1,544.8	2,132.9	1,066.3	882.8
Free cash flow	Rs.	(413.3)	48.7	502.1	751.1	1,025.8	613.4
Financial Ratios							
Profitability							
Profit before tax / Gross premium	%	48.1	47.5	31.1	23.3	31.6	29.8
Profit before tax / Net premium	%	95.8	107.9	76.5	51.4	64.5	64.6
Profit after tax / Gross premium	%	29.4	28.9	17.2	15.3	22.3	21.2
Profit after tax / Net premium	%	58.6	65.5	42.3	33.7	45.6	45.9
Underwriting result / Net premium	%	34.0	35.9	38.7	42.9	42.2	42.7
Management expenses / Gross premium	%	20.0	18.0	15.8	15.9	16.5	17.7
Management expenses / Net premium	%	39.9	40.8	38.9	35.1	33.8	38.4
Commission / Net Premium	%	3.5	3.7	7.2	11.8	10.0	13.1
Net claims / Net premium	%	29.7	26.9	29.5	33.8	34.0	32.0
Combined ratio	%	69.6	67.8	68.4	68.9	67.7	70.4

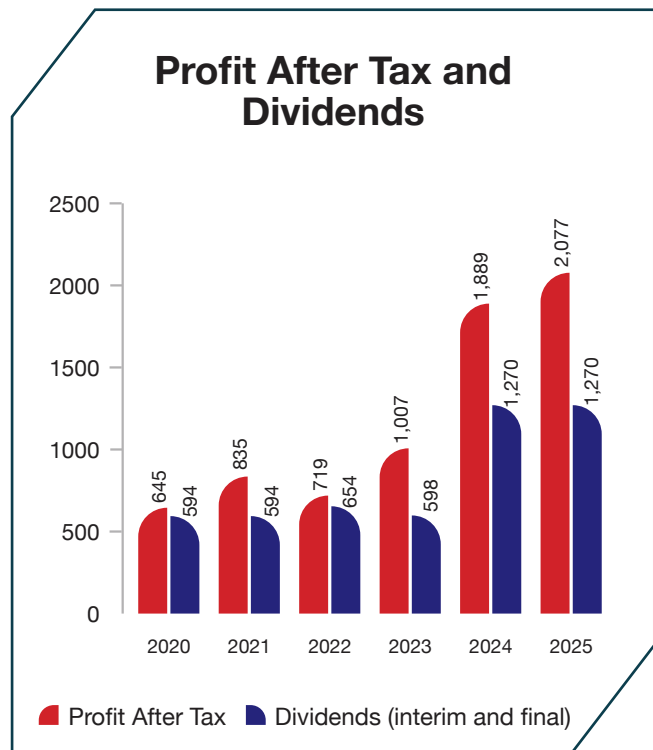
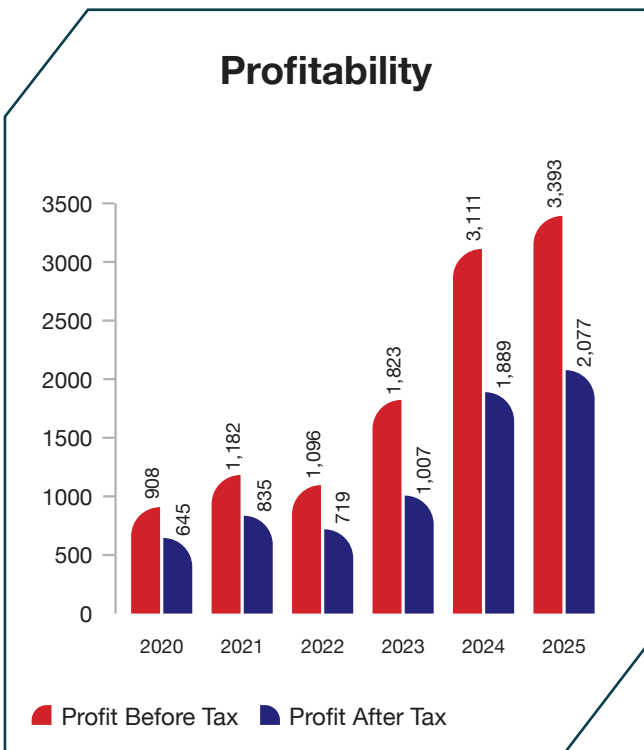
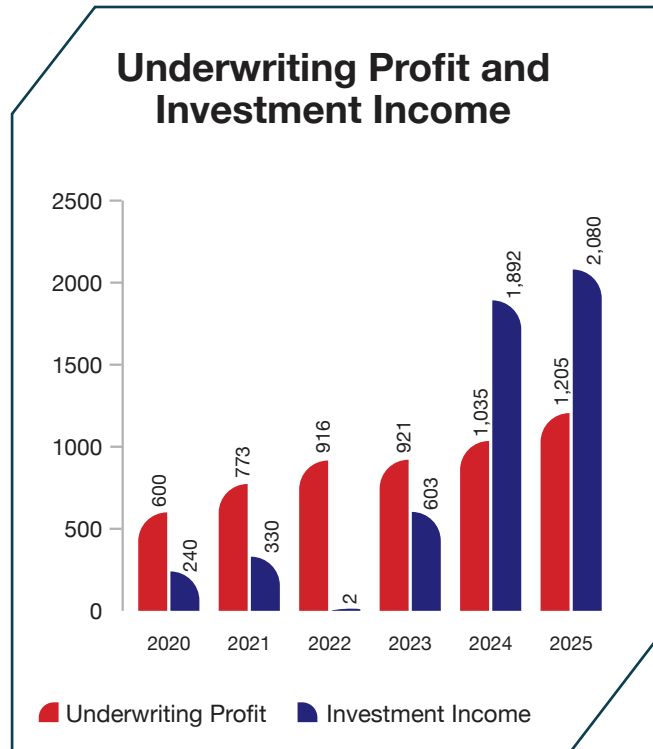
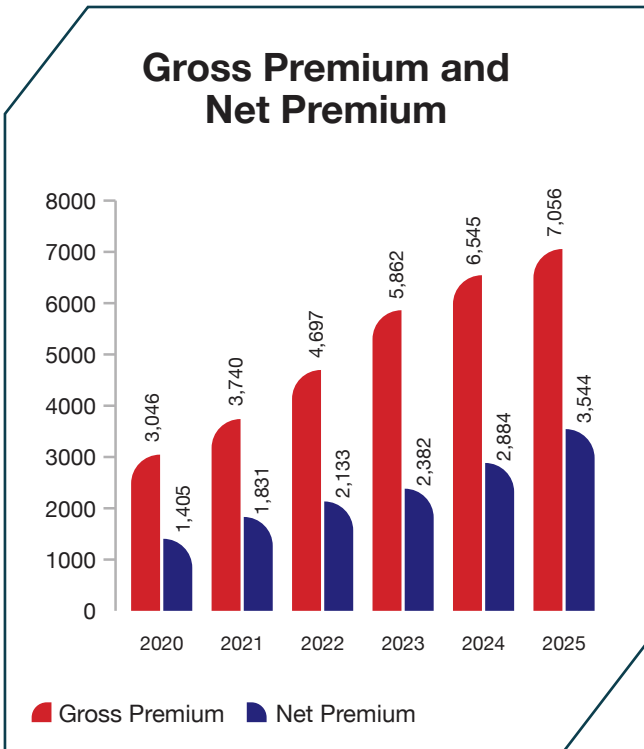
(Rupees in million)

Description		2025	2024	2023	2022	2021	2020
Financial Ratios							
Return to Shareholders							
Return on equity - PBT	%	30.9	38.1	38.2	30.6	28.3	19.0
Return on equity - PAT	%	18.9	23.1	21.1	20.1	20.0	13.5
Earnings growth	%	10.0	-	40.0	(13.9)	29.4	3.6
Earning per share - PBT	Rs.	22.7	20.8	12.2	7.3	7.9	6.1
Earning per share - PAT	Rs.	13.9	12.6	6.7	4.8	5.6	4.3
Return on assets	%	8.5	10.4	7.6	7.5	9.0	6.7
Investment Yield	%	34.2	33.3	15.5	0.1	9.3	7.4
Earnings assets / Total assets	%	31.4	39.9	44.2	52.6	51.3	43.3
Liquidity / Leverage							
Current ratio	Times	3.0	2.4	1.7	1.7	2.0	2.3
Cash to current liabilities	Times	0.1	0.2	0.2	0.3	0.2	0.2
Total assets turnover	Times	0.3	0.4	0.5	0.5	0.4	0.4
Fixed assets turnover	Times	16.4	19.8	26.0	21.2	24.3	21.7
Total liabilities / Equity	Times	1.2	1.2	1.8	1.7	1.2	1.0
Acid test ratio	Times	2.2	1.8	1.1	1.1	1.4	1.7
Return on capital employed	%	16.5	19.2	20.9	18.3	16.6	13.2
Paid-up capital / Total assets	%	6.1	8.3	11.3	9.8	9.1	8.8
Equity / Total assets	%	45.1	45.1	35.9	37.5	44.8	49.4
Price to book ratio	Times	1.1	1.1	1.3	1.4	1.2	1.1
Market Data							
Price earning ratio	Times	5.6	4.6	6.2	7.2	6.2	8.1
Face value - per share	Rs.	10.0	10.0	10.0	10.0	10.0	10.0
Market value per share							
Market value at the end of the year	Rs.	77.7	58.0	41.5	55.5	61.0	61.5
Highest value during the year	Rs.	111.8	61.0	59.2	66.0	66.5	69.5
Lowest value during the year	Rs.	50.6	37.8	36.2	50.6	47.8	50.6
Pakistan / Karachi stock exchange index	Points	174,473	115,127	62,451	40,420	44,416	43,755
Market capitalization	Rs.	11,606.6	8,658.6	6,200.8	5,182.9	5,178.6	5,224.5
Net assets per share	Times	73.5	54.7	31.9	38.4	49.2	56.2
Distribution							
Cash dividend (interim and final)	Rs.	1,270.0	1,270.0	597.7	653.7	594.3	594.3
Cash dividend (interim and final)	%	85	85	46	70	70	70
Bonus shares	Rs.	-	-	560.3	-	84.9	-
Bonus shares	%	-	-	60	-	10	-
Cash dividend per share	Rs.	8.5	8.5	4.6	7.0	7.0	7.0
Stock dividend per share	Rs.	-	-	6.0	-	1.0	-
Dividend yield	%	10.9	14.7	11.1	12.6	11.5	11.4
Dividend pay out	%	61.2	67.2	59.3	90.9	71.1	92.1
Dividend cover	Times	1.6	1.5	1.7	1.1	1.4	1.1
Breakup value	Rs.	73.5	54.7	31.9	38.4	49.2	56.2

PERFORMANCE AT A GLANCE

Graphical Presentation

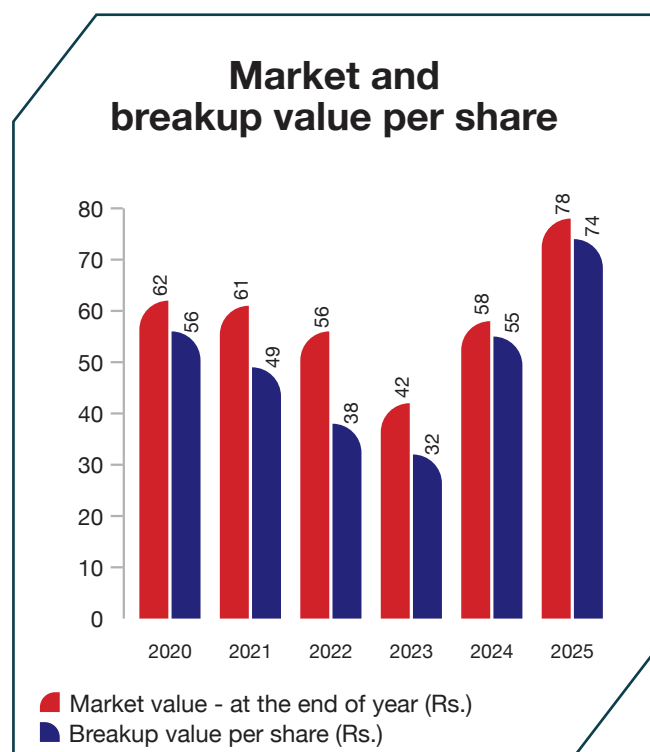
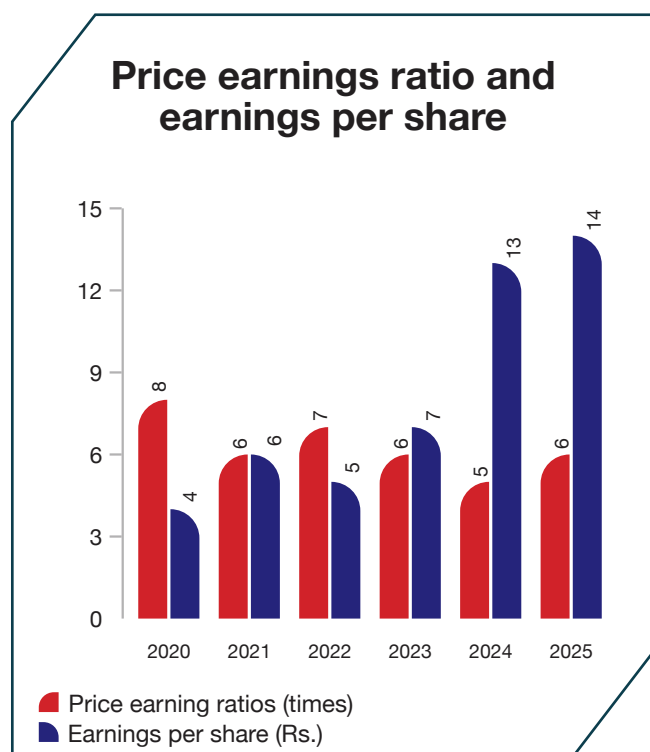
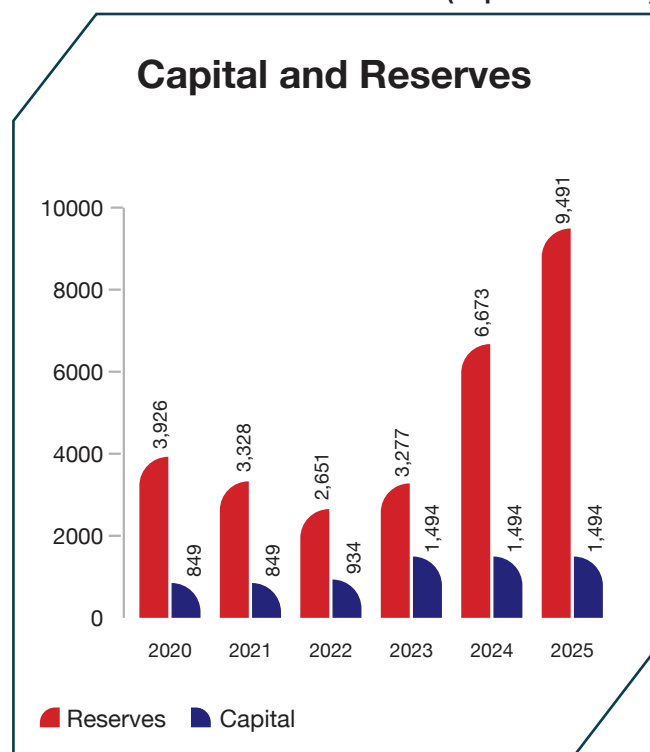
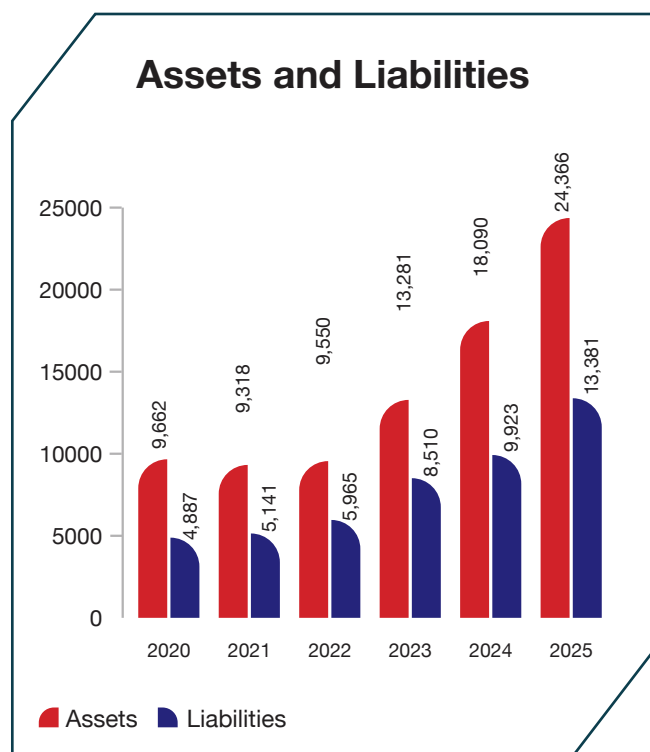
(Rupees in million)



PERFORMANCE AT A GLANCE

Graphical Presentation

(Rupees in million)



COMMENTS ON KEY FINANCIAL DATA AND RATIOS

Performance Ratios

- Net commission to net premium ratio was 3.5% for the year which denotes the Company's decent arrangements with reinsurers managing to earn sizeable commission income.
- The net claims ratio has considerably decreased to 29.7% from 32% of 2020 due to prudent underwriting policy of the Company. The combined ratio of 69.6% has decreased from the 2020 ratio of 70.4% catering the economic, inflationary pressure and pressure on premium rates.
- The Company maintained a stable gross management expense ratio of 20% in 2025, reflecting continued focus on cost control while supporting strategic growth initiatives.
- Profit before tax to net premium ratio increased to 95.8% in the current year, reflecting a strong recovery compared to previous years and demonstrating the Company's robust core earnings along with substantial investment income.
- Profit after tax to net premium ratio increased to 58.6% showing sustenance and strength of the Company in core earnings.
- In 2025, the Company continued its commitment to rewarding shareholders by declaring a cash dividend of 85%, maintaining the high level of returns seen in recent years. This reflects the Company's strong financial performance and dedication to sharing prosperity with its shareholders. Additionally, while no bonus shares were issued in 2025, the Company's consistent dividend payouts underscore its robust financial health and shareholder-focused approach.

Balance Sheet

- The growth in business can be analyzed through financial position of the Company as the assets have increased to Rs. 24.366 billion in 2025 from Rs. 9.662 billion of 2020, an increase of more than two and half folds over the period of six years.
- Increase of 3.53 folds in the assets of window takaful operations – OPF to Rs. 690.1 million in 2025 as compared to Rs. 195.3 million in 2020.
- Increase of 5.61 folds in the assets of window takaful operations – PTF to Rs. 1,870 million in 2025 as compared to Rs. 333.5 million in 2020.
- The total equity of the Company, including reserves, stood at Rs. 10.986 billion as at December 31, 2025 compared to Rs. 4.775 billion as at December 31, 2020, an increase of 130% over the last six years due to distribution of wealth by the Company to its shareholders.

Profit and Loss Account

- Gross premium increased by 132% over the last six years from Rs. 3.046 billion in 2020 to Rs. 7.056 billion in the year 2025.
- Increase in net premium from Rs. 1.405 billion in 2020 to Rs. 3.544 billion in 2025 promulgate an increase of 152% over the six years period.
- Underwriting profit increased to Rs. 1,205.2 million in 2025 from Rs. 599.5 million of 2020, posting growth of 101%, reflecting Company's focus on earning from the core business.
- Despite economic constraints and security instability, the Company still managed to earn highest and healthy profit compared to the preceding six years, posting profit before tax of Rs. 3,393.4 million as compared to Rs. 907.8 million for 2020.

Cash Flows

Operating cash flows were negative during the year, primarily due to timing differences in working capital movements. This presents the Company's continued investment in strengthening core operations and supporting business growth.

- The increase in cash outflow of financing activities is mainly to Company's consistency of paying healthy dividend to the shareholders in the present as well as in the past years.
- Cash & bank deposits have increased to Rs. 1,179.3 million as at December 31, 2025 from Rs. 882.8 million in the year 2020, reflects the Company's strong liquidity position.

Solvency

Net admissible assets were in excess by Rs. 2,734.0 million over the minimum regulatory requirements mainly due to better cash management.

Comments on Free Cash Flow

The Company reported negative free cash flow during the year, reflecting investments in operational strengthening and business support functions along with working capital movements supporting business expansion. These outflows reflect proactive capital deployment to strengthen operations and enhance future growth by maintaining a strong liquidity position, ensuring financial stability.

Performance Measurement

Performance measurement is key to evaluate how well an organisation is managed and the value it delivers for stakeholders. As a listed company, our most important stakeholders are shareholders and as such the value delivers by the Company to them is imperative. In the Company, performance measurement is an ongoing monitoring process. Furthermore, to evaluate performance, besides traditional and most commonly used methods of performance evaluation i.e. ratio analysis, calculation of returns on various categories of assets, horizontal & vertical analysis of financial statements and various comparative statements etc., modern techniques and tools are also considered particularly with reference to the value addition for the shareholders. Following are advance techniques / tools to measure performance of the Company.

Market Value Added (MVA)

To measure the external performance, MVA is calculated to see how the investor evaluate the performance of the Company in term of market value of its shares against book value. In Atlas Insurance Limited, MVA is calculated to evaluate the management performance with reference to market value of the Company's shares in the PSX against its book value.

As at December 31, 2025, the market capitalization of the Company was Rs. 11.607 billion as compared with Rs. 8.659 billion of 2024 and the total book value of outstanding shares as at December 31, 2025 stood at Rs. 10.986 billion against Rs. 8.167 billion of 2024. There was a 35% increase in the market value even in these uncertain economic times.

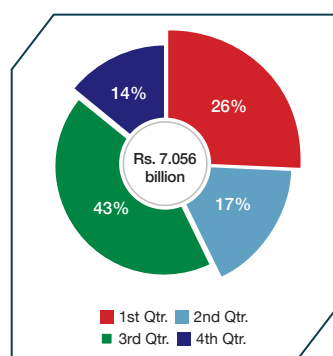
Major Capital and IT Expenditures

The Company continues to enhance the alignment of IT services with the strategy to improve business and to support day-to-day business operations. Deployment and enhancement in IT infrastructure, secured and speedy communication, increase customer relations (B2B) through web-portals, mobile Apps and prudent MIS are the plans set for the future foundation.

The modern business environment is becoming paperless rapidly. To create a paperless environment in the organisation, the Company has implemented digitalization of documents to avoid pile of documents and made the relevant documents available on a single click.

To work efficiently in the modern era, it is necessary to equip the staff with modern business working tools. During the year, the Company has incurred on IT related expense including capital expenditure of Rs. 35.23 million which shows the commitment of the Company to equipped itself with modern IT tools, software along with communication tools to further enhance the efficiency and effectiveness of its customer service.

QUARTERLY PERFORMANCE ANALYSIS

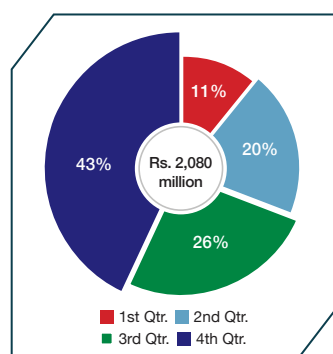
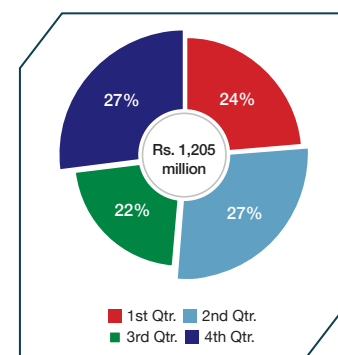


Gross Premium

The trend of underwriting gross premium reflects the firmness of the Company's underwriting policy towards accepting business. Renewals and new business during first and third quarter kept the weightage of gross premium high. Company underwrote gross premium of Rs. 7.056 billion during the year.

Underwriting Profit

The core activities i.e. net premium, net claims, net commission and management expenses constitute the underwriting profit of an insurance company. During the year the Company earned underwriting profit of Rs. 1,205 million which was spread evenly across the four quarters which was the result of prudent underwriting.

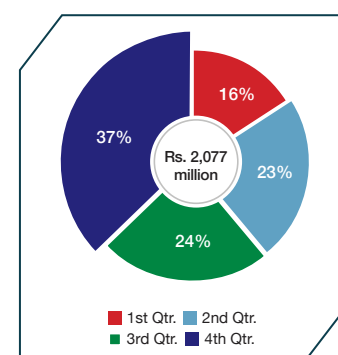


Investment Income

Investment income is a significant component of an insurer's profitability. During the year, due to the better yields and good returns for the fixed income securities and capital gains on equity securities, the Company earned investment income of Rs. 2,080 million.

Profit After Tax

Profit after tax witnessed growth in the last quarter due to increase in investment income.



ANALYSIS OF FINANCIAL STATEMENTS

Statement of Financial Position

Particulars	(Rupees in thousand)						Vertical Analysis Composition of Statement of Financial Position						Horizontal Analysis % Change Year to Year					
	2025	2024	2023	2022	2021	2020	2025	2024	2023	2022	2021	2020	2025 Vs 2024	2024 Vs 2023	2023 Vs 2022	2022 Vs 2020	2021 Vs 2020	2020 Vs 2019
Assets																		
Property and equipment	527,730	331,065	230,136	221,315	147,626	159,789	2.2	1.7	1.6	2.2	1.5	1.6	59.4	43.9	4.0	49.9	(7.6)	32.5
Investments	16,052,497	11,974,752	6,806,600	4,642,090	5,961,569	6,229,415	65.9	61.4	47.6	45.3	59.7	62.3	34.1	75.9	46.6	(20.8)	(5.9)	30.4
Loan and other receivables	129,159	206,538	112,052	66,748	38,147	22,029	0.5	1.1	0.8	0.7	0.4	0.2	(37.5)	84.3	67.9	75.0	73.2	(80.0)
Insurance / reinsurance receivables	1,221,128	853,449	774,440	539,279	431,689	311,009	5.0	4.4	5.4	5.3	4.4	3.1	43.1	10.2	43.6	24.9	38.8	26.3
Reinsurance recoveries																		
against outstanding claims	977,356	1,153,298	1,960,523	1,074,190	772,137	1,087,723	4.0	5.9	13.7	10.5	7.9	10.9	(15.3)	(41.2)	82.5	39.1	(29.0)	341.1
Salvage recoveries accrued	1,985	1,985	7,285	8,085	8,375	8,627	0.0	0.0	0.1	0.1	0.1	0.1	-	(72.8)	(9.9)	(3.5)	(2.9)	151.1
Retirement benefit	-	3,316	5,439	-	2,265	9,266	-	0.0	0.0	-	0.0	0.1	(100.0)	(39.0)	100.0	(100.0)	(75.6)	100.0
Deferred commission expense	283,256	289,134	187,675	144,916	95,197	92,418	1.2	1.5	1.3	1.4	1.0	0.9	(2.0)	54.1	29.5	52.2	3.0	13.4
Prepayments	1,433,806	1,165,477	1,202,185	862,766	711,215	652,126	5.9	6.0	8.4	8.4	7.2	6.5	23.0	(3.1)	39.3	21.3	9.1	(1.4)
Taxation - provision less payments	-	-	-	37,840	1,121	11,220	-	-	-	0.4	0.0	0.1	-	-	(100.0)	3,275.6	(90.0)	100.0
Cash and bank	1,179,328	1,531,222	1,544,843	1,553,708	974,543	882,778	4.8	7.9	10.8	15.1	9.9	8.8	(23.0)	(0.9)	(0.6)	59.4	10.4	35.8
	21,806,245	17,510,236	12,831,178	9,150,937	9,043,884	9,466,400	89.5	89.8	89.7	89.2	92.1	94.7	24.5	36.5	40.2	1.2	(4.5)	37.3
Total assets from window takaful operations - OPF	690,086	579,813	449,653	399,319	273,912	195,345	2.8	3.0	3.1	3.9	2.8	2.0	19.0	28.9	12.6	45.8	40.2	41.2
Total assets from window takaful operations - PTF	1,869,982	1,399,684	1,018,609	706,417	499,409	333,451	7.7	7.2	7.1	6.9	5.1	3.3	33.6	37.4	44.2	41.5	49.8	32.2
Total assets	24,366,313	19,489,733	14,299,440	10,256,673	9,817,205	9,995,196	92.3	92.8	92.9	93.1	94.9	96.7	25.0	36.3	39.4	4.5	(1.8)	37.2
Liabilities																		
Capital and reserves attributable to Company's equity holders																		
Ordinary share capital	1,494,157	1,494,157	1,494,157	933,848	848,953	848,953	13.6	18.3	31.3	26.0	20.3	17.8	-	-	60.0	10.0	-	10.0
Reserves	7,773,085	5,145,622	2,419,880	2,174,865	2,705,977	3,277,641	70.8	63.0	50.7	60.7	64.8	68.6	51.1	112.6	11.3	(19.6)	(17.4)	41.7
Unappropriated profit	1,718,400	1,527,607	856,904	476,479	621,533	648,633	15.6	18.7	18.0	13.3	14.9	13.6	12.5	78.3	79.8	(23.3)	(4.2)	4.3
Total equity	10,985,642	8,167,386	4,770,941	3,585,192	4,176,463	4,775,227	45.1	41.9	33.4	35.0	42.5	47.8	34.5	71.2	33.1	(14.2)	(12.5)	28.8
Underwriting provisions	4,172,233	4,073,365	4,702,997	3,272,799	2,566,895	2,747,565	17.1	20.9	32.9	31.9	26.0	27.5	2.4	(13.4)	43.7	28.0	(6.9)	49.5
Retirement benefit	4,688	-	-	12,857	-	-	0.0	-	-	0.1	-	-	100.0	-	(100.0)	100.0	-	(100.0)
Deferred taxation	3,610,584	2,367,848	966,245	346,370	546,293	833,774	14.8	12.1	6.7	3.4	5.6	8.3	52.5	147.6	176.1	(36.6)	(34.5)	95.3
Premium received in advance	638,494	464,697	447,465	368,932	333,082	137,351	2.6	2.4	3.1	3.6	3.4	1.4	37.4	3.9	21.3	10.8	142.5	30.2
Borrowings	202,936	68,303	76,182	99,849	60,183	73,016	0.8	0.4	0.5	1.0	0.6	0.7	197.1	(10.3)	(23.7)	65.9	(17.6)	183.3
Insurance / reinsurance payable	608,913	664,922	839,312	532,081	780,521	511,309	2.5	3.4	5.9	5.2	8.0	5.1	(8.4)	(20.8)	57.7	(31.8)	52.7	19.3
Other creditors and accruals	1,583,609	1,695,660	1,185,637	1,176,918	793,582	537,097	6.5	8.7	8.3	11.5	8.1	5.4	(6.6)	43.0	0.7	48.3	47.8	16.3
Taxation - provision less payments	366,118	301,288	57,811	-	-	-	1.5	1.5	0.4	-	-	-	21.5	421.2	100.0	-	-	(100.0)
Total liabilities	11,187,565	9,636,083	8,265,649	5,809,806	5,070,556	4,840,112	45.9	49.4	57.8	56.6	51.6	48.4	16.1	16.6	42.3	14.6	4.8	47.0
Total liabilities from window takaful operations - OPF	323,124	286,580	244,241	155,258	70,777	46,406	1.3	1.5	1.7	1.5	0.7	0.5	12.8	17.3	57.3	119.4	52.5	37.3
Total liabilities and balance of window takaful operations - PTF	1,869,982	1,399,684	1,018,609	706,417	499,409	333,451	7.7	7.2	7.1	6.9	5.1	3.3	33.6	37.4	44.2	41.5	49.8	32.2
Total equity and liabilities	24,366,313	19,489,733	14,299,440	10,256,673	9,817,205	9,995,196	92.3	92.8	92.9	93.1	94.9	96.7	25.0	36.3	39.4	4.5	(1.8)	37.2

ANALYSIS OF FINANCIAL STATEMENTS

Profit and Loss Account

Particulars	(Rupees in thousand)						Vertical Analysis Composition of Profit & Loss Account						Horizontal Analysis % Change Year to Year						
	2024	2023	2022	2021	2020	2019	2024	2023	2022	2021	2020	2019	2024 Vs 2023	2023 Vs 2022	2022 Vs 2021	2021 Vs 2020	2020 Vs 2019	2019 Vs 2018	
							%	%	%	%	%	%	%	%	%	%	%	%	
Gross premium revenue	7,056,146	6,545,434	5,862,022	4,697,393	3,739,638	3,046,399	100.0	100.0	100.0	100.0	100.0	100.0	7.8	11.7	24.8	25.6	22.8	4.6	
Revenue account																			
Net insurance premium	3,543,594	2,884,308	2,382,207	2,132,895	1,830,688	1,405,342	50.2	44.1	40.6	45.4	49.0	46.1	22.9	21.1	11.7	16.5	30.3	(3.4)	
Net insurance claims expenses	(1,053,706)	(777,217)	(702,549)	(721,228)	(622,186)	(449,595)	(29.7)	(26.9)	(29.5)	(33.8)	(34.0)	(32.0)	35.6	10.6	(2.6)	15.9	38.4	(4.1)	
Premium deficiency	5,680	(2,347)	(3,333)	-	-	-	(0.5)	0.3	0.5	-	-	-	342.0	(29.6)	100.0	-	-	-	
Net commission and other acquisition income	123,132	108,119	172,446	252,144	182,363	183,595	3.5	3.7	7.2	11.8	10.0	13.1	13.9	(37.3)	(31.6)	38.3	(0.7)	26.9	
Management expenses	(1,413,474)	(1,178,158)	(927,582)	(747,984)	(617,980)	(539,822)	(39.9)	(40.8)	(38.9)	(35.1)	(33.8)	(38.4)	20.0	27.0	24.0	21.0	14.5	1.0	
Underwriting results	1,205,226	1,034,705	921,189	915,827	772,885	599,520	35.5	33.3	50.5	83.6	65.4	66.0	16.5	12.3	0.6	18.5	28.9	0.5	
Investment income	2,079,955	1,892,122	603,075	2,449	330,420	239,702	61.3	60.8	33.1	0.2	28.0	26.4	9.9	213.7	24,525.4	(99.3)	37.8	6.6	
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	133,291	284,067	281,136	132,583	49,634	47,950	3.9	9.1	15.4	12.1	4.2	5.3	(53.1)	1.0	112.0	167.1	3.5	(9.2)	
Other expenses	(127,527)	(223,168)	(43,128)	(27,681)	(16,275)	(13,865)	(3.8)	(7.2)	(2.4)	(2.5)	(1.4)	(1.5)	(42.9)	417.5	55.8	70.1	17.4	(1.2)	
	2,085,719	1,953,021	841,083	107,351	363,779	273,787	61.5	62.8	46.1	9.8	30.8	30.2	6.8	132.2	683.5	(70.5)	32.9	3.9	
Finance costs	(20,255)	(12,812)	(48,875)	(14,583)	(9,352)	(9,954)	(0.6)	(0.4)	(2.7)	(1.3)	(0.8)	(1.1)	58.1	(73.8)	235.2	55.9	(6.0)	152.4	
Profit / (loss) from window takaful operations	122,738	136,292	109,224	87,032	54,196	44,422	3.6	4.4	6.0	7.9	4.6	4.9	(9.9)	24.8	25.5	60.6	22.0	14.3	
Profit before tax	3,393,428	3,111,206	1,822,621	1,095,627	1,161,508	907,775	48.1	47.5	31.1	23.3	31.6	29.8	9.1	70.7	66.4	(7.3)	30.2	1.4	
Taxation	(1,316,641)	(1,222,444)	(815,454)	(376,313)	(346,132)	(262,348)	(38.8)	(39.3)	(44.7)	(34.3)	(29.3)	(28.9)	7.7	49.9	116.7	8.7	31.9	(3.5)	
Profit after tax	2,076,787	1,888,762	1,007,167	719,314	835,376	645,427	29.4	28.9	17.2	15.3	22.3	21.2	10.0	87.5	40.0	(13.9)	29.4	3.6	

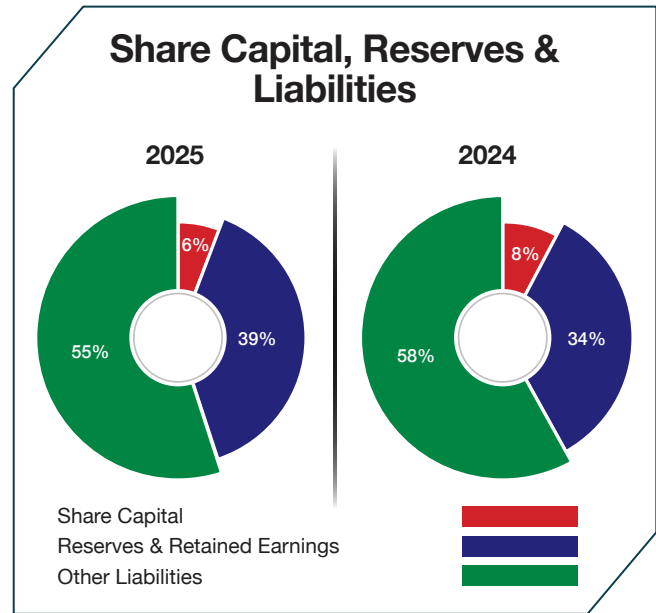
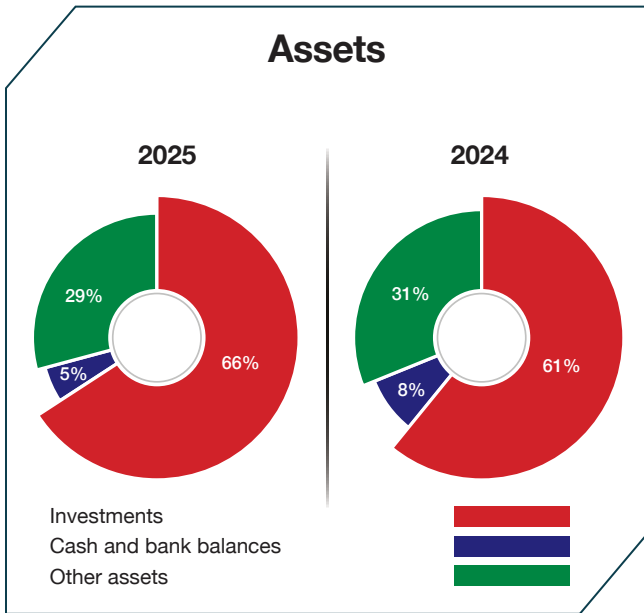
Summary of Cash Flow Statement

Description	2025	2024	2023	2022	2021	2020
	(Rupees in thousand)					
Total cash generated from all operating activities	(255,983)	247,806	589,704	828,678	1,060,583	635,396
Total cash (used in) / generated from all investing activities	1,205,234	593,991	3,338	391,860	(156,327)	160,403
Total cash used in financing activities	(1,301,145)	(855,418)	(601,907)	(641,373)	(812,491)	(563,228)
Net cash (used in) / generated from all activities	(351,894)	(13,621)	(8,865)	579,165	91,765	232,571
Cash and cash equivalents at the beginning of the year	1,531,222	1,544,843	1,553,708	974,543	882,778	650,207
Cash and cash equivalents at the end of the year	1,179,328	1,531,222	1,544,843	1,553,708	974,543	882,778

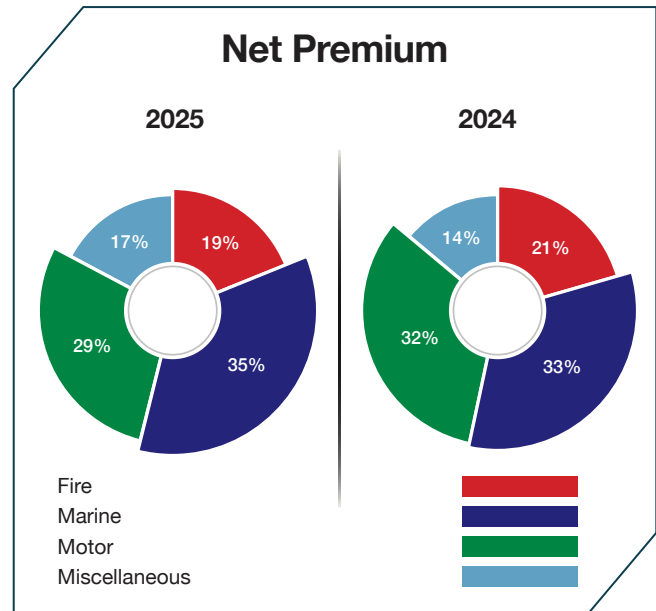
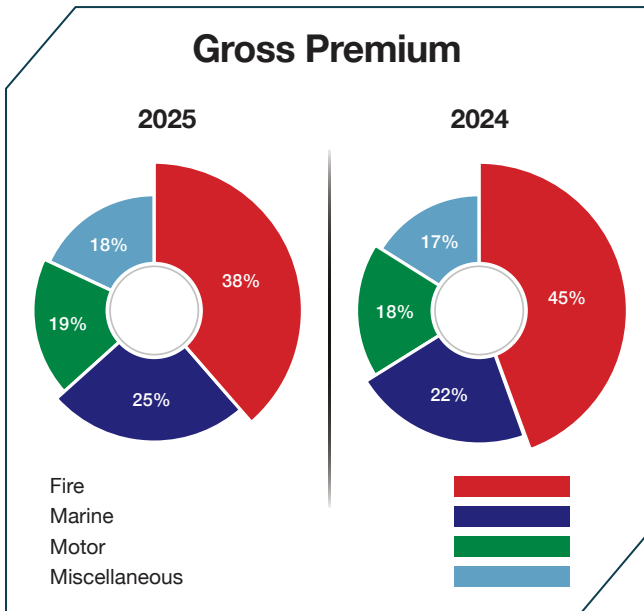
ANALYSIS OF FINANCIAL STATEMENTS

Graphical Presentation

Statement of Financial Position

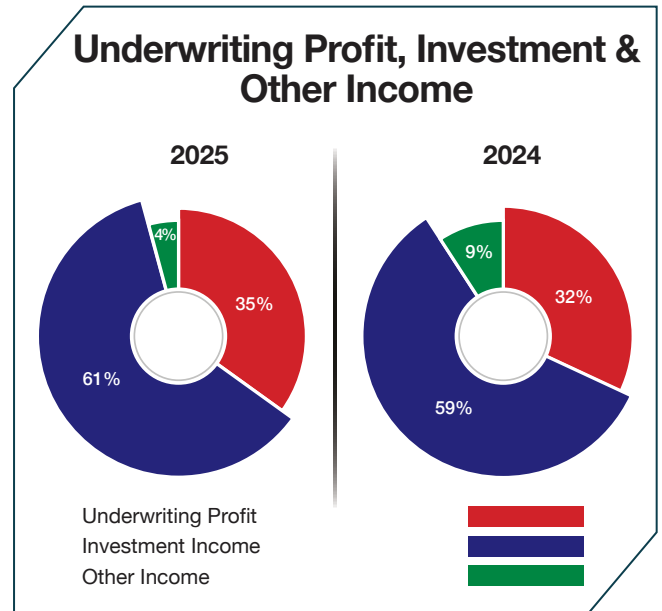
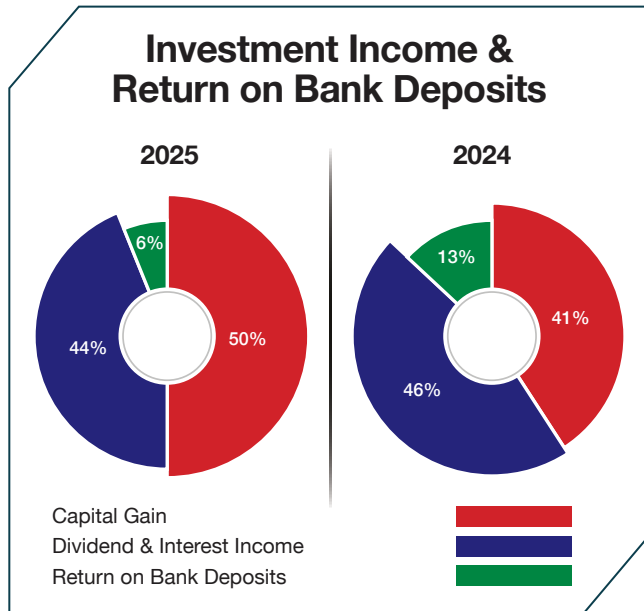


Profit and Loss Account

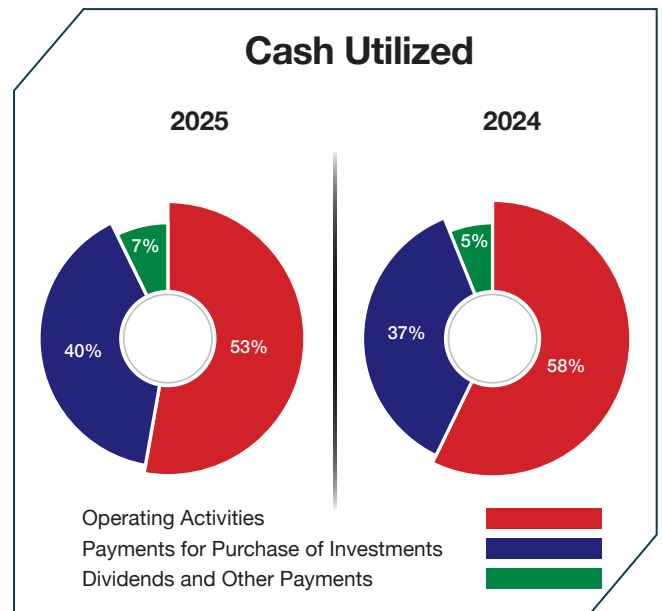
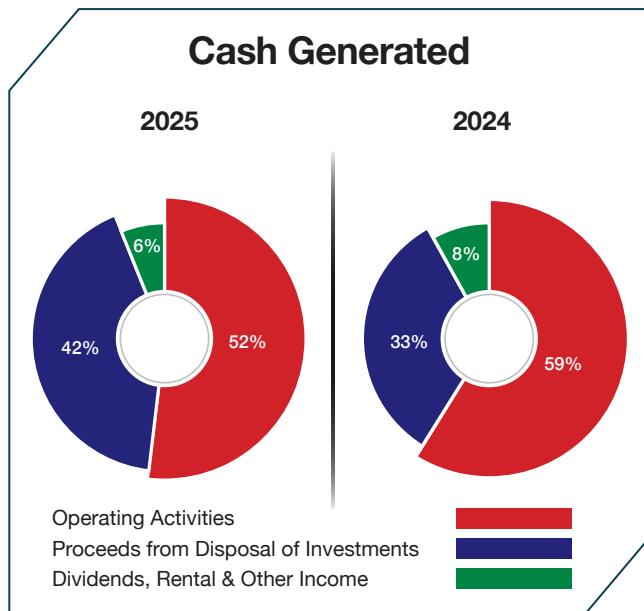


ANALYSIS OF FINANCIAL STATEMENTS

Profit and Loss Account



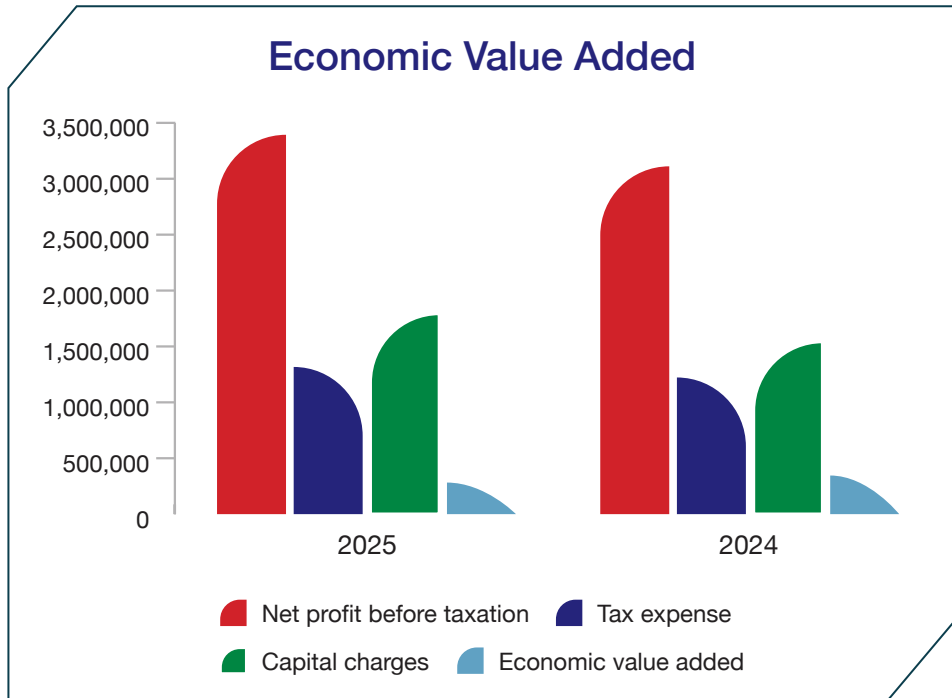
Cash Flow



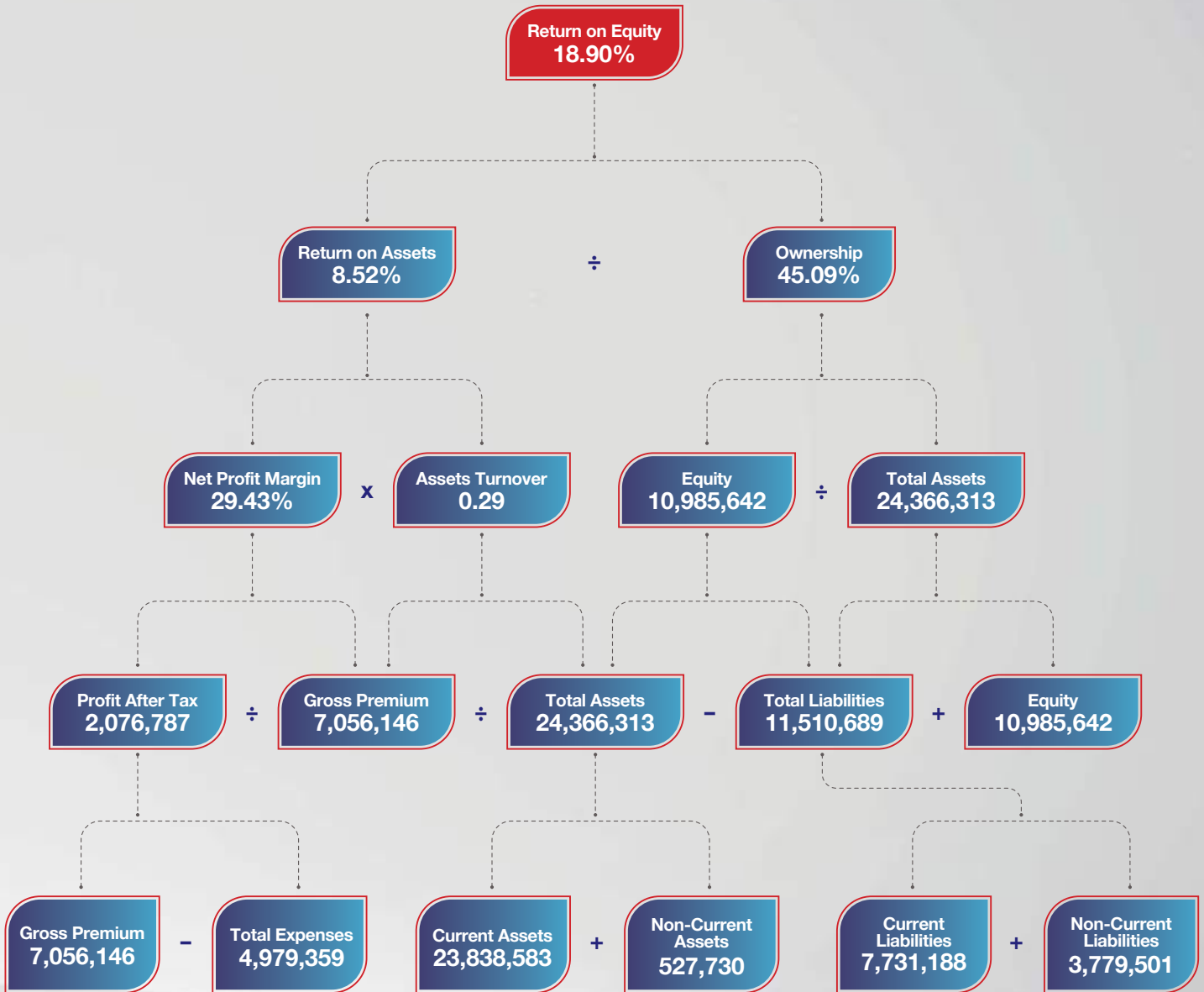
ECONOMIC VALUE ADDED

EVA is a measurement of a company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit, adjusted for taxes on a cash basis. EVA is also known as economic profit, aims to calculate the true economic profit of a company. It is also used to measure the value a company generates from funds invested in it. Atlas Insurance Limited was successful to add economic value from its operations in the year ended December 31, 2025 by generating economic value of Rs. 282.46 million against Rs. 345.53 million of last year.

Description	2025	2024
	(Rupees in thousand)	
Net profit before taxation	3,393,428	3,111,206
Less:		
Tax expense	1,316,641	1,222,444
Capital charges	1,794,323	1,543,228
	3,110,964	2,765,672
Economic value added	282,464	345,534

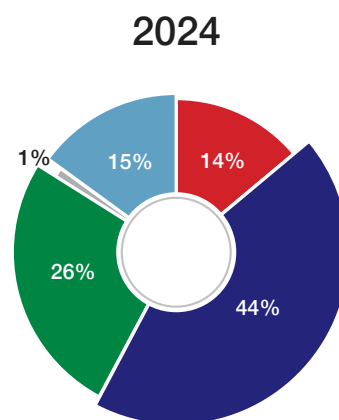
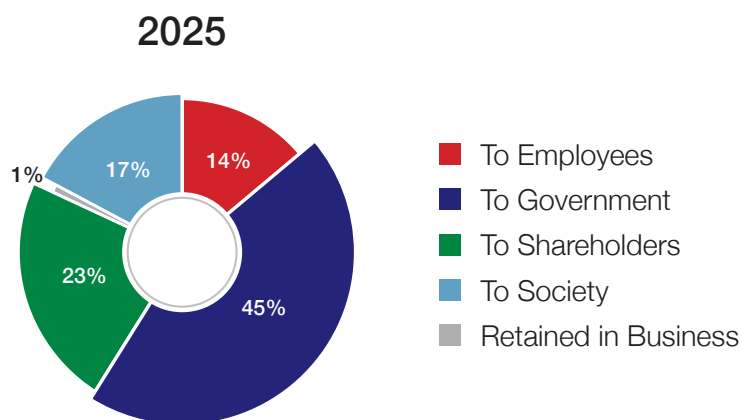


DUPONT ANALYSIS

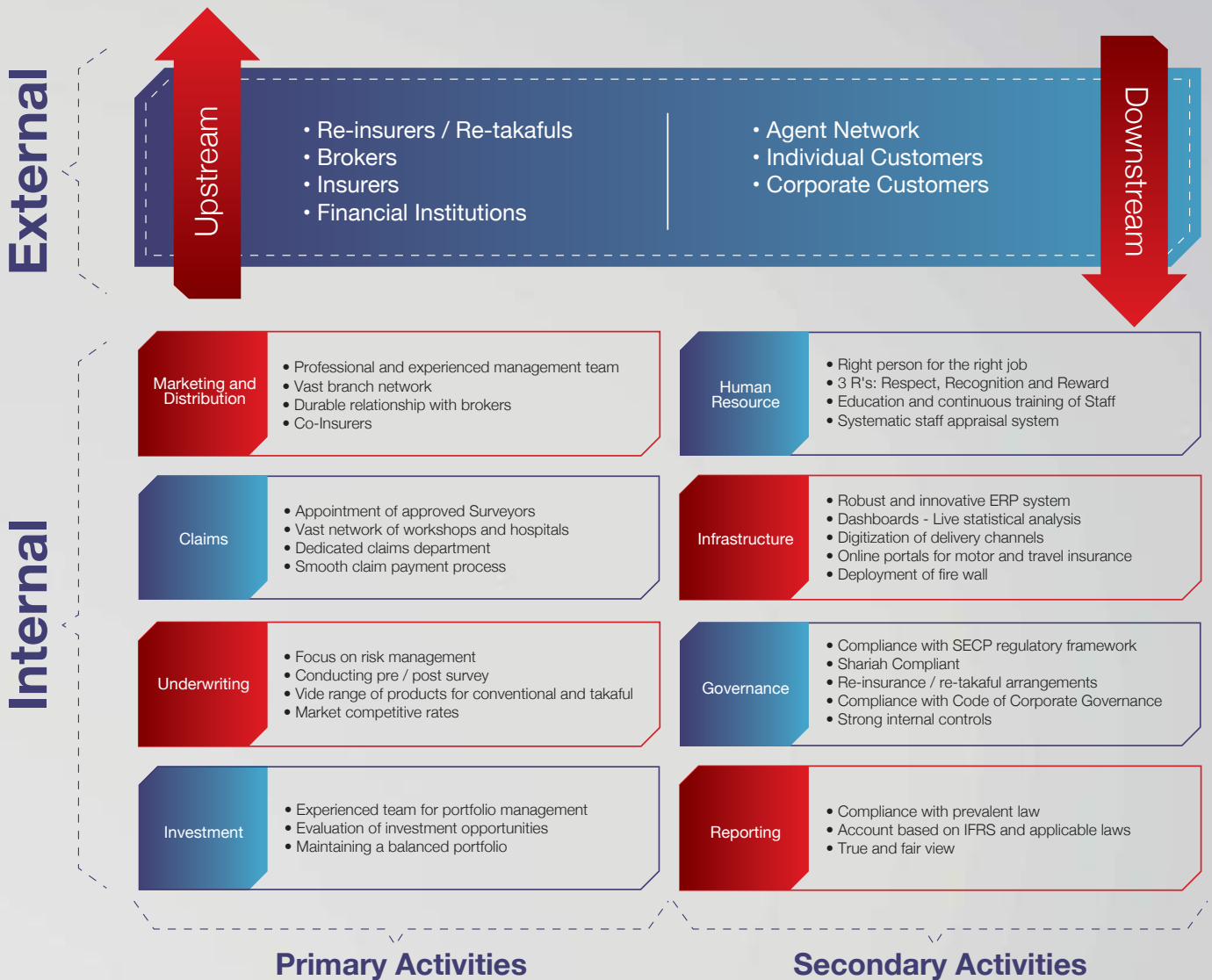


STATEMENT OF VALUE ADDITION

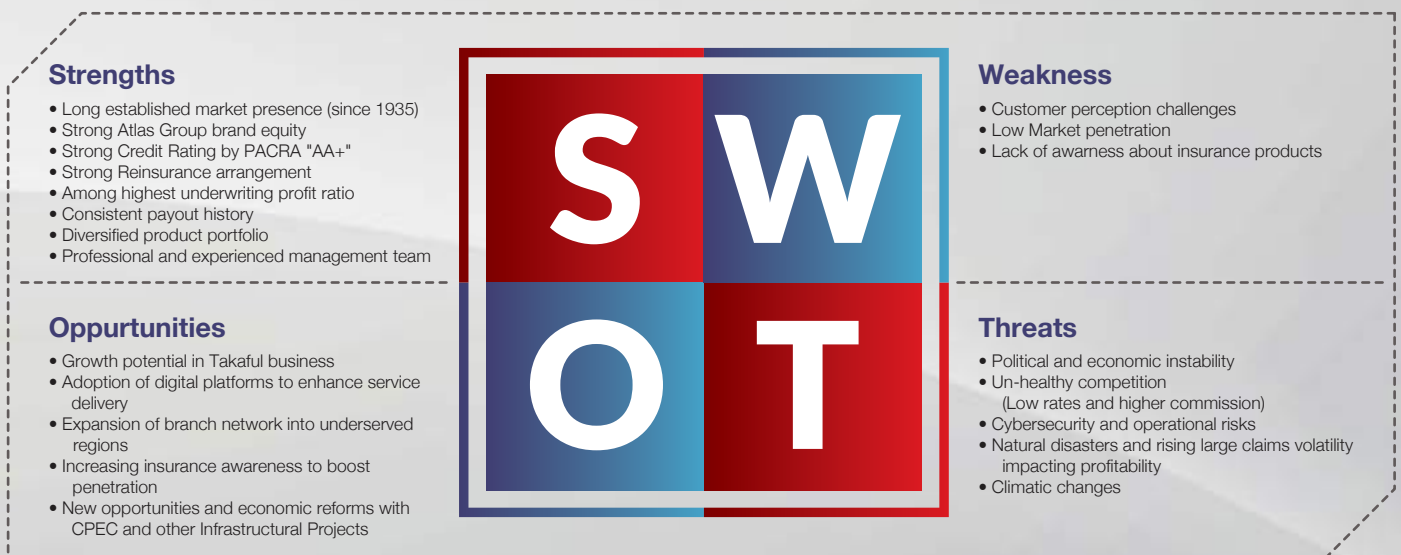
	2025		2024	
	(Rupees in thousand)	%	(Rupees in thousand)	%
Wealth Generated				
Net premium (including FED & FIF)	4,707,270		3,831,285	
Commission income	123,132		108,119	
Income from investment	2,079,955		1,892,122	
Takaful and other income	256,029		420,359	
	7,166,386		6,251,885	
Claims, management and other expenses (excluding employee benefit cost, depreciation and donations)	1,675,565		1,372,946	
Net wealth generated	5,490,821	100.00%	4,878,939	100.00%
Wealth Distributed				
To Employees				
Employees benefit cost	773,777	14.09%	686,082	14.06%
To Government				
Company taxation	1,316,641	23.98%	1,222,444	25.06%
Levies (Including FED and FIF)	1,163,676	21.19%	946,977	19.41%
	2,480,317	45.17%	2,169,421	44.47%
To Shareholders				
Cash dividend	1,270,033	23.13%	1,270,033	26.03%
Stock dividend	-	0.00%	-	0.00%
	1,270,033	23.13%	1,270,033	26.03%
Financial charges				
To providers of finance	-		-	
To Society				
Endowment, donation etc.	44,307	0.81%	41,426	0.85%
Retained in Business				
Depreciation and amortization	115,633	2.11%	93,248	1.91%
Retained profit and general reserves	806,754	14.69%	618,729	12.68%
	922,387	16.80%	711,977	14.59%
	5,490,821	100.00%	4,878,939	100.00%



VALUE CHAIN



SWOT ANALYSIS



PESTEL ANALYSIS

P

POLITICAL

- Political uncertainty affecting business confidence
- Shifting of government policies.
- Geopolitical situation
- Strong regulatory oversight by the SECP

E

ECONOMICAL

- High inflation and interest rates
- Currency depreciation affects reinsurance costs
- Low foreign exchange reserves
- PSX volatility impacting investments

S

SOCIAL

- Low awareness and understanding of insurance
- Preference for Shariah-compliant products
- Changing customer expectations for digital services and quick claim settlements
- Demographic profiles like age, education, health, and social values

T

TECHNOLOGICAL

- Digital distribution network
- Cybersecurity and data protection
- Automation of systems
- Use of data analytics and artificial intelligence

E

ENVIRONMENTAL

- Increasing climate-related disaster risks
- Environmental risk coverage awareness
- Focus on catastrophe reinsurance
- Rising flood insurance claims
- Extreme weather impacting property portfolios

L

LEGAL

- Applicability of new Standards
- Transition towards takaful model
- Risk-based capital regulations strengthened
- Anti-money laundering enforcement increasing
- Multiple legal reforms

Organization's Response

In response to the declining macroeconomic indicators and deteriorating government measures, the Company is striving to achieve sustainable and scalable growth through increased market penetration and expansion in untapped markets. In addition, the Company will continue to explore new avenues for revenue. To mitigate the impact of soaring costs due to high inflation, interest and exchange rates, cutting the costs while maintaining high quality services will remain the focus of the Company.

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

BARGAINING POWER OF SUPPLIERS - STRONG

Reinsurer - High

- Pakistani market is less attractive for Reinsurers due to many factors including devaluation, unhealthy competition, unstable political situations, climate change etc.

Broker - High

- Presence of brokers in almost every segment. Brokers competing with each other for business by rate cutting.

Coinsurance - Medium

- Maximum market share with 3 leading companies.

THREAT OF NEW ENTRANTS - WEAK

Insurance Company - Low

- Due to low insurance penetration and volatile economy new entrants' threat is low.
- Tough compliance requirements from regulator.
- Increased regulatory risk such as AML / CFT / CPF and Risk management.
- Increased paid-up capital requirements.

RIVALRY AMONGST EXISTING COMPETITORS - STRONG

Competitive - High

- Larger companies competing for market share by reducing price and offer high commission rates.
- Low insurance penetration.

THREAT OF SUBSTITUTES - MODERATE

Takaful to substitute - High

- Insurance is not preferred by most.
- Conversion of banks in Islamic operations as business is usually driven by Banks.

BARGAINING POWER OF BUYERS - STRONG

Banks - High

- Intense competition and desire to increase the top line leads to High bargaining power of Banks.

Broker - High

- Intense involvement of brokers makes insurance company. weak in front of corporates pushing down the rates.

Retail - High to Medium

- Although the market is low but bargaining power of insurance company is relatively better.

Legislative and Regulatory Environment

During the year, the Company has complied with all applicable provisions, filed all returns / forms and furnished all the relevant particulars as required under the Companies Act, 2017 and allied rules, the SECP regulations and the listing requirements.

Political Environment

During the year, share price was impacted by the Company's financial and operational performance; in addition to various external factors including economic and political environment of the country, government's policies, stakeholders' sentiments and macroeconomic indicators, etc.



CORPORATE **GOVERNANCE**



BOARD OF DIRECTORS

The Board believes in efficient discharge of duties under relevant statutes and stands firmly committed in its objectives to add value through effective participation and contribution towards achievement of Company's business objectives.

The Board further recognizes its responsibilities for protection and efficient utilization of Company assets for business objectives and compliance with laws and regulations at all Company levels with the ultimate objective of safeguarding the interests of the shareholders so as to increase shareholders wealth and promoting market confidence. The Board has approved significant policies of the Company.

The Board is conscious to the need of maintaining balance between the interests of the equity holders and sustenance of growth in net earnings. Recognized for good governance practices, financial reporting and disclosure, Atlas Insurance believes in timeliness and accuracy to enable informed decision making by our investors.

All the directors represent rich exposure in diversified fields of businesses and professions and possess the necessary skills set and knowledge to cater with various business and corporate issues and have the ability to review, analyze and challenge the management's performance.

During the year, five meetings of the Board were held to review and approve matters referred to it by the Audit and other committees of the Board including financial statements, corporate and financial reporting framework, budget and forecasts including their analysis with actual, cash flow projections, compliance with relevant laws and regulations including amendments during the year, acquisition and disposal of assets, review of risks identified and its mitigation, accounting and internal control systems and such other matters considered to be significant enough for the Board's attention.

For all the meetings the agenda and details of each item of the agenda were circulated to the Board at least seven days before the meeting. Minutes of the Board meetings were appropriately recorded and timely circulated. An actions item list was also prepared and status of each action item was presented to the Board in the next meeting.

The Roles of the Chairman and Chief Executive Officer (CEO)

The roles of the Chairman and CEO are segregated and they have distinct responsibilities. Chairman of the Board has responsibilities and powers vested in him by the law and Articles of Association of the Company, as well as role assigned by the Board. The Chairman coordinates the activities of the directors and various committees of the Board, and presides over the meetings of the Board. CEO is responsible for the operations of the Company and conduct of its business in accordance with the powers vested in him by the law, Articles of Association of the Company, authorities delegated to him through a general power of attorney and Board resolutions from time to time. CEO recommends policies and strategic directions, financial statements, annual business plans and budget to the Board and is responsible for exercising the overall control, direction, administration and supervision for sound and efficient management and conduct of the business.

CEO Performance Review

The Board assumes the monitoring role, giving authority to the CEO to manage the Company, implement strategic decisions and policies of the Board and align the Company's direction with the vision and objectives set by the directors for continuous development and progress. The CEO attends every Board meeting and provides detailed explanation on each item of the agenda and addresses queries of the Board. The performance of the CEO is assessed through the evaluation system which takes into account various parameters including financial results, employees, clients and stakeholders.

Conflicts of Interest

Directors have a duty to avoid a situation in which they have or can have a direct or indirect interest which conflicts, with the interests of the Company. In this regard, the directors have undertaken that they will comply with the related provisions of the Companies Act, 2017, the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Rules and Regulations of SECP and PSX and the Company's Code of Conduct.

Board's Performance Review

The evaluation of Board's role of oversight and its effectiveness is a continual process which is appraised by the Board itself. A detailed Board Evaluation Questionnaire has been formulated which is circulated amongst directors for their feedback every year and compiled results are presented in the Board meeting for review and appropriate action, thereon.

Remuneration of the Board of Directors

The Board has an approved formal policy for remuneration of executive and non-executive directors. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition.

The Company does not pay any remuneration to the independent directors except fee for attending the meetings of the Board and its committees. Remuneration of executive and non-executive directors is approved by the Board, as recommended by the Ethics, Human Resource and Remuneration Committee.

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code, it is ensured that directors do not take part in deciding their own remuneration. For information on remuneration of directors and CEO in 2025, please refer to the financial statements.

Retention of Board Meeting Fee

Board meeting fee earned by the executive directors against their services as non-executive directors in the other companies are retained by them.

Formal Orientation at Directors' Induction

Every director upon joining is provided with an orientation presentation. The CEO briefs new directors about the Company operation, industry dynamics, organization structure and other significant matters.

Security Clearance of Foreign Director

The Company does not have any foreign director on its Board, so, no clearance is required from Ministry of Interior for security.

Statement on Board Operations

According to the Act, and the Memorandum & Articles of Association of the Company, the Board holds control over the Company's affairs. To facilitate their operations, the Board appoints a Chief Executive Officer (CEO) delegating authority and empowering the CEO to oversee the Company's operations. The CEO operates within the parameters of the delegated authority. Regular Board meetings are conducted to monitor the Company's operations and performance.

Appointment of Independent Directors and Justification for their Independence

The Code mandates that each Listed Company must have at least two independent directors or one-third of the Board members, whichever is higher. In accordance with Section 166 of the Act independent directors are selected from a data bank maintained by the Pakistan Institute of Corporate Governance, a recognized institute by the Commission.

Legitimate needs & interests of and communication with stakeholders

The needs and interests of stakeholders along with policy for communication and engagement with stakeholders has been described in detail in 'Policy and Procedures for Engagement of Stakeholders' section of the report.

Related Party

The Company has a policy for related party transactions, which are conducted on arm's length basis and duly approved by the Board of Directors. Transactions involve associates, subsidiaries, directors, employee retirement benefit plans, provident funds, key management personnel, and other parties, with details disclosed in the financial statements. During the year all the transactions conducted with related parties were on arm's length.

Governance of Risk and Internal Controls

Audit Committee of the Board oversees the internal controls of the Company and the Risk Management and Compliance Committee, has also been vested with the mandate of Risk Management.

Human Resource Management Policies

Recognizing the crucial role of Human Resources (HR) in organizational operations and goal attainment, the Company places a high value on efficient HR management. Talent acquisition policies are based on impartial criteria, focusing on qualifications and experience, regardless of background. The Company provides diverse training opportunities, both internal and external, to enhance employee skills. Additionally, skill development initiatives such as job rotations and cross-functional transfers are employed to enrich employee knowledge and capabilities.

The Company prioritizes succession planning, a process vital for identifying and nurturing new leaders to replace outgoing ones. This strategy ensures a pool of competent employees ready to assume leadership roles. As an equal opportunity employer, the Company fosters a safe and growth-oriented work environment, dedicated to employee development and goal achievement.

Social and environmental responsibility

The Board of Directors is committed to fostering social and environmental responsibility within our company, ensuring sustainable practices in all aspects of our operations. We prioritize the well-being of our communities, minimize our environmental footprint, and uphold ethical standards in our business conduct.

Approach to managing and reporting policies

The Board of Directors ensures the implementation of robust policies tailored to the Company's unique demands. Prioritizing efficiency, innovation, and accountability in our approach, fostering sustainability and enhancing stakeholder trust through transparent reporting practices.

Organization's business continuity plan or disaster recovery plan

Business continuity is vital amid escalating disruptions in today's landscape. Our plan prioritizes essential services, evaluates threats, and outlines recovery strategies. It safeguards stakeholders, reputation, and value, integrating resilience and risk management. We identify key activities, assess impacts, and assign roles for effective response. The plan's objective is to sustain operations and mitigate impacts, as demonstrated during the Covid-19 lockdowns in 2020. It provides a framework for organizational resilience, ensuring the continuation of critical functions. Our approach encompasses crisis management, recovery objectives, and operational risk considerations. We prioritize transparent communication and adaptability to swiftly navigate challenges.

Board Meetings

There were five Board meetings held during the year. All of them were held inside Pakistan.

Independent Directors

Directors serving as independent directors meet the criteria of independence as notified under the Companies Act, 2017 and the Code.

Representation of Female Director on the Board

The Company is fully compliant to the requirement of the Code 2016 for gender diversity and the Code 2019 to have at least one female member on the Board.

Matters Delegated to the Management

The strategies and policies approved by the Board are implemented by management primarily. The routine business operations of the Company are also the responsibility of management in accordance with the strategies, vision, mission and direction given by the Board from time to time. Any changes in business environment and significant matters are updated to the Board regularly. Management also prepares financial statements that fairly present the financial position of the Company in accordance with the applicable accounting standards and legal requirements.

Board Disclosure Regarding Enterprise Resource Planning (ERP) Utilization

- a) The Company uses an integrated Enterprise Resource Planning (ERP) system to manage and link core business functions including underwriting, claims, reinsurance, finance, and human resources through a centralized platform. The General Insurance System (GIS) and Oracle Cloud HCM enable seamless processing, centralized reporting, and real-time availability of information across departments, ensuring efficiency, accuracy, and consistency in operations.
- b) The Board and senior management provide continuous support for effective implementation and enhancement of ERP systems. All major IT initiatives are monitored by the Information Technology Steering Committee, which ensures proper planning, allocation of resources, timely execution, and alignment of system upgrades with business needs and regulatory requirements.
- c) The Company conducts regular training sessions, workshops, and awareness programs to ensure effective use of ERP applications. Training is arranged whenever new modules, updates, or digital tools are introduced so that users understand system workflows, controls, and reporting features, thereby improving efficiency and minimizing operational errors.
- d) ERP-related risks are managed through established internal controls, periodic audits, and system reviews. User roles, access rights, and transaction limits are regularly evaluated to ensure proper authorization and control over system activities, while corrective actions are taken whenever required.
- e) Strong controls over system security and data access are maintained through role-based authorization, authentication controls, secure network architecture, VPN connectivity, data backups, disaster recovery arrangements, and periodic independent security assessments to ensure segregation of duties and protection of sensitive information.

BOARD AND MANAGEMENT COMMITTEES

As envisaged by the Code of Corporate Governance for the Insurers, 2016, the Board has formed Audit Committee, Ethics, Human Resource & Remuneration Committee and Investment Committee. The Board has also established management committees namely; Underwriting, Reinsurance & Co-insurance Committee, Claims Settlement Committee and Risk Management & Compliance Committee. In addition to the regulatory requirements, the Board has also formed Information Technology Committee. A Management Committee comprising of departmental heads headed by the CEO is also in place for operational coordination.

AUDIT COMMITTEE

The Committee consists of three non-executive directors and chaired by an independent director. The Audit Committee is responsible for assisting the Board in discharging its responsibilities in relation to the disclosure of the financial affairs of the Company. The Committee focuses in particular on compliance with accounting policies and ensuring that an effective system of internal financial control is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports, remains with the Board. The terms of reference of the Audit Committee have been determined by the Board in accordance with the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, consisting on the following:

- a) Determination of appropriate measures to safeguard the Company's assets;
- b) Review of annual and interim financial statements of the Company, prior to their approval by the Board, focusing on:
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - going concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with these regulations and other statutory and regulatory requirements; and
 - all related party transactions.
- c) Review of preliminary announcements of results prior to external communication and publication;
- d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) Review of management letter issued by external auditors and management's response thereto;
- f) Ensuring coordination between the internal and external auditors of the Company;
- g) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) Review of the Company's statement on internal control systems prior to endorsement by the Board and internal audit reports;
- k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;

- l) Determination of compliance with relevant statutory requirements;
- m) Monitoring compliance with the these regulations and identification of significant violations thereof;
- n) Review and oversee sustainability-related matters, including ESG and DE&I considerations, relevant risks and disclosures, and report to the Board, as appropriate;
- o) Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- p) Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements. The Board shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- q) Consideration of any other issue or matter as may be assigned by the Board.

Four meetings of the Committee were held during the year.

ETHICS, HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Committee consists of three members. Majority of the members are non-executive directors, including the Chairperson who is also independent director. The Committee is responsible for:

- Recommending human resource management policies to the Board;
- Recommending to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO. Recommending to the Board the selection and evaluation of Chief Financial Officer (CFO), Company Secretary, Compliance Officer and Head of Internal Audit;
- Consideration and approval on recommendations of the CEO on such matters for key management positions who report directly to CEO;
- Proposing a remuneration approach and related policies for the Company covering the remuneration policy, remuneration governance and structure (including approval policy for the level and composition of compensation), and the components of compensation (such as the amount of fixed remuneration, shares or options, other variable remuneration, pension rights, redundancy pay and other forms of compensation and benefits, as well as the performance criteria and their application);
- Reviewing and making recommendations to the Board regarding the specific remuneration of the Board members, the CEO, CFO, Company Secretary, Compliance Officer and Head of Internal Audit. However, at all times, the Committee shall ensure that the remuneration approach is consistent with the performance and risk management framework of the Company.

Two meeting of the Committee were held during the year.

INVESTMENT COMMITTEE

The Committee consists of five members including three non-executive directors, CEO and CFO. The primary responsibility of the Committee is to assist the Board in discharging its responsibilities in overseeing Company's investment portfolio, including:

- Developing, reviewing and recommending to the Board investment strategies and investment guidelines.
- Monitoring management's compliance with the Company's investment strategies and guidelines.
- Monitoring compliance of the Company's investment policies and practices with applicable legal and regulatory requirements.
- Reviewing and approving all investment transactions made by the Company.
- Reporting to the Board the Company's investment strategies and guidelines.

Four meetings of the Committee were held during the year.

UNDERWRITING, REINSURANCE & CO-INSURANCE COMMITTEE

The Committee consists of three members; chaired by a non-executive director.

Following Terms of Reference (TORs) for the Underwriting, Reinsurance & Co-insurance Committee have been finalized by the Board:

- Advise the Board and management concerning the establishment and review of the Company's underwriting policies and guidelines.
- Set out the criteria for assessing various types of insurance risks and determine the premium policy of different insurance covers.
- Regularly review the underwriting and premium policies of the Company with regard to relevant factors such as its business portfolio and the market development.
- Develop the policy for effecting reinsurance, not inconsistent with the relevant provisions of the Insurance Ordinance, 2000, and shall ensure that adequate reinsurance arrangements are made for the business of the Company.
- Review the reinsurance arrangements from time to time, and subject to the consent of the participating reinsurers, make appropriate adjustments to the arrangements in the light of the market development.
- Assess the effectiveness of the reinsurance program for the future reference.

Four meetings of the Committee were held during the year.

CLAIMS SETTLEMENT COMMITTEE

The Committee consists of three members, chaired by a non-executive director. The Committee devises the claims settling policy of the Company. It oversees the claims position of the Company and ensures that adequate claims reserves are made. It pays attention to significant claims cases, which may give rise to a series of claims. The Committee determines the circumstances under which the claims disputes shall be brought to its attention and decide how to deal with such claims disputes.

Four meetings of the Committee were held during the year.

RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The Committee consists of three members, chaired by the CEO.

TORs for the Committee have been finalized by the Board:

- Oversee the activities of the risk management function of the Company and shall make appropriate recommendations to the Board.
- Assist the Board in implementation of the decisions taken by the Board to mitigate probable risks falling within the purview of the risk management function.
- Monitoring the compliance function and Company's risk profile in respect of compliance with the laws applicable to it as well as the internal policies and procedure.
- Prepare reports detailing Company's risk profile and the compliance activities undertaken proactively aiming at determination of the Company's ability to meet its legal and ethical obligations, as well as report on identified weaknesses, lapses, breaches or violations of the areas within its purview and the controls and other measures in place to help detect and address the same.
- Supervise and monitor matters reported using the Company's Whistle Blowing policy for employees and others to report compliance concerns or potential breaches, violations or frauds within the areas under its purview.
- Assist the Board in setting up adequate controls or take such measures so as to mitigate any risk relating to compliance and / or potential breaches, violations or frauds within the areas under its purview

Four meetings of the Committee were held during the year.

INFORMATION TECHNOLOGY (IT) COMMITTEE

The Committee consists of three members and chaired by the CEO. The TORs of the Committee included:

- Identify strategic directions, capabilities and objectives for Company's IT support.
- Identify opportunities where IT can help achieve Company's goals and recommend priorities.
- Ensure a coordinated implementation of Company's IT projects.
- Review significant IT investments and expenditures.
- Review and as appropriate, make recommendations to the Board regarding significant IT investments in support of Company's IT strategy.
- Review and discuss Company's risk management and risk assessment guidelines and policies regarding IT security including disaster recovery capabilities

Four meetings of the Committee were held during the year.

MANAGEMENT COMMITTEE

The Management Committee acts at the operating level in an advisory capacity to the CEO, providing recommendations relating to the business and other corporate affairs. The Committee is responsible for reviewing and forwarding short / long term plans, capital and expense budget development and stewardship of business plans. The Committee is also responsible for maintaining a healthy environment within the Company as well as outside the Company through channelling its financing and investment to projects, producing environments friendly products. It contributes to further strengthen the team work to achieve company's objectives, effectively & efficiently.

The foundation upon which our team is created is based upon the premise that motivates people and long standing relationships are the ultimate tools of success and creativity, energy perseverance and loyalty and are just as important as a platinum resume.

We have a team of highly qualified and experienced professionals with proven problem solving ability, consulting and analytical skills. Our team consists of insurance experts and technical specialists to provide the best services to our clients.

PROFILE OF THE SHARIAH ADVISOR

Mufti Zeeshan Abdul Aziz is a recognized Shariah Scholar and researcher having strong comprehension of all aspects of Islamic Law and a specialized in Islamic Jurisprudence and Islamic Finance from Jamia Dar Ul Uloom Karachi, Pakistan, having Takhassus Fil Ifta (Specialization in Islamic Jurisprudence) done, majoring in Islamic Banking & Finance.

He is serving as the Shariah Advisor of "Atlas Insurance – Window Takaful Operations" since its commencement and looking after the transactions, day to day Shariah matters and services provided by Atlas Window Takaful Operations. His specialties include Shariah Compliant investments, development of takaful products, policies, manuals and drafting of all its Shariah related documents. Mufti Zeeshan is also involved in delivering detailed trainings to the management of all levels, marketing and distribution force of Atlas Window Takaful Operations on Takaful, its Shariah related issues and requirements in the light of Takaful Rules, 2012.

He has been associated with several Islamic Financial Institution and Halal Certification bodies within Pakistan and abroad. Mufti Zeeshan is also the Shariah Board Member of Sindh Bank-Islamic Banking Division, Jubilee General & Family Takaful, NIT Islamic Investment Funds and Shariah Review Bureau, Bahrain and has been frequently debating and speaker on Shariah & technical aspects related to Islamic Finance nationally and internationally as well.

Mufti Zeeshan is also managing Al-Hikmah Shariah Advisory Services (Pvt) Ltd., a Firm licensed by SECP as a registered Shariah Advisor, specialized in Shariah related services for the Islamic Financial Industry. He is also looking after International Halal Certification (Pvt) Ltd. in several countries and has performed around 800 Halal Certification audits of different food, beverages, cosmetics and pharmaceuticals companies in different parts of the world.

CHAIRMAN'S REVIEW

It is my pleasure to present the 91st Annual Report and performance review of the Company on behalf of the Board for the year ended December 31, 2025.

The Economy

Pakistan's economy continues to demonstrate gradual improvement, with key macroeconomic indicators reflecting a moderate recovery. This progress is driven by accommodative monetary policies, ongoing structural reforms, and continued support from international financial institutions. Consequently, GDP growth is projected to increase to 3.2% in FY26, compared to 3.04% in the preceding year. Improved management of the external account, easing inflationary pressures, and higher non-debt foreign inflows are expected to support domestic economic activity; however, external and fiscal challenges remain.

On the external front, the current account recorded a deficit of USD 244 million in December 2025, while posting a cumulative deficit of USD 1.174 billion during the current fiscal year. Exports declined by 8.7% to USD 15.2 billion, whereas imports increased by 11% to USD 34.4 billion, resulting in a trade deficit of USD 19.2 billion. Home remittances provided critical support to the external account, growing by 10.5% year-on-year to USD 19.7 billion, which helped foreign exchange reserves rise to USD 21 billion, the highest level since March 2022. Inflation showed signs of moderation, with CPI easing to 5.6% in December 2025, providing much-needed space for the State Bank of Pakistan to reduce the policy rate by 50 basis points to 10.5%. FBR collections reached Rs. 6,159 billion, reflecting a growth of 10.2% over the corresponding period last year. Positive sentiment in financial markets was evident, with the benchmark KSE-100 Index reaching historic highs above 187,000 points.

The agricultural sector grew moderately by 2.89% in Q1 FY26. Government measures like timely provision of credit, seeds, fertilizers, and mechanization are supporting the sector. Agricultural credit disbursement increased by 18.6% in the first half of FY26, while imports of agricultural machinery rose by 27.3%, indicating renewed investment and gradual improvements in farm productivity.

The Large-Scale Manufacturing (LSM) sector continued its upward trajectory recording a growth of 6.01% during the first five months of FY26. 16 out of 22 sectors posted growth, including automobiles, textiles, cement, petroleum products and electrical equipment. The performance of automobile sector remained robust, supported by substantial increase in the production of cars, trucks and motorcycles.

Industry Analysis

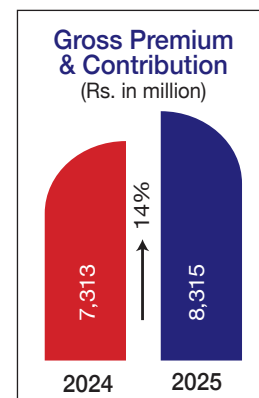
In 2025, Pakistan's non-life insurance sector demonstrated stable but moderate growth, with gross written premiums increasing mainly due to continued demand in motor, health, and property insurance. While growth was slower than in earlier years, the sector benefited from improved underwriting discipline, better pricing practices, and supportive investment returns. Overall, the non-life insurers largely sustained profitability despite claims volatility.

The year also marked structural and regulatory progress, including the licensing of Pakistan's first fully digital non-life insurer and continued expansion of non-life takaful. Regulatory reforms, adoption of international reporting standards, and a focus on digital distribution strengthened transparency and innovation. However, low insurance penetration and challenging macroeconomic conditions remain key constraints, leaving significant untapped potential for future growth.

The Company Results

Premium and Contribution

During the year, your Company reported gross premiums including Takaful contribution of Rs. 8.31 billion compared to Rs. 7.31 billion last year, registering growth of 14%. Gross Premium was recorded at Rs. 7.056 billion against Rs. 6.545 billion of 2024, increased by 8%. Takaful contribution was Rs. 1,258 million compared to Rs. 767 million in 2024, up 64%. Net premium and net Takaful contribution was Rs. 4.25 billion against Rs. 3.41 billion in 2024, up 25%.



Segments at a Glance

Fire and Property Damage

The Fire and Property segment demonstrated resilient performance during the year, with a continued focus on profitability and improved retention. While gross written premium declined by 7% to Rs. 2.720 billion from Rs. 2.932 billion in 2024, net written premium increased by 10% to Rs. 658 million (2024: Rs. 597 million), reflecting higher retention levels. The net claims ratio rose modestly to 6% from 3% of the prior year, remaining at a manageable level. As a result, the segment delivered underwriting profit of Rs. 133 million, representing a 33% increase over Rs. 100 million in 2024, driven by higher net premium income.

Marine, Aviation and Transport

The Marine segment delivered a strong performance during the year, achieving robust premium growth and sustained profitability. Gross written premium increased by 23% to Rs. 1.760 billion against Rs. 1.433 billion in 2024, while net premium rose to Rs. 1,244 million compared to Rs. 950 million last year. The net claims ratio remained at 8%, reflecting continued disciplined underwriting and effective risk management. As a result, underwriting profit grew by 28% to Rs. 869 million compared to Rs. 677 million of 2024, driven by higher net premium income.

Motor

The Motor segment achieved steady growth with gross written premium rising to Rs. 1.327 billion, up 16% from Rs. 1.152 billion in 2024. Net premium also grew by 9% to Rs. 1,024 million compared to Rs. 938 million in the prior year. Claims remain high mainly due to Karachi rain and Islamabad hailstorm. The segment posted underwriting profit of Rs. 227 million, underscoring our disciplined approach to risk and customer service.

Miscellaneous

The Miscellaneous segment reported a 21% increase in gross written premium, rising to Rs. 1.249 billion from Rs. 1.028 billion in 2024. Net premium grew by 54% to Rs. 617 million, compared to Rs. 400 million in the prior year. The net claims ratio improved to 68% from 93% in 2024, reflecting improved underwriting measures. As a result, the segment's loss narrowed substantially to Rs. 24 million against Rs. 151 million last year.

Window Takaful Operations

The Window Takaful segment delivered strong topline growth during the year, with gross contributions rising to Rs. 1,258 million, up 64% from Rs. 767 million in 2024, driven by higher contributions from the

Fire, Marine, and Motor portfolios. Net contributions also increased by 37% to Rs. 356 million, reflecting continued customer confidence and market traction. The Participants' Takaful Fund recorded a surplus of Rs. 70 million, while the Operator's Fund posted a profit of Rs. 75 million, maintaining stable performance despite modest challenges in claims and investment income. Overall, the segment's results underscore our commitment to expanding Shariah-compliant solutions and delivering value to both participants and the Company.

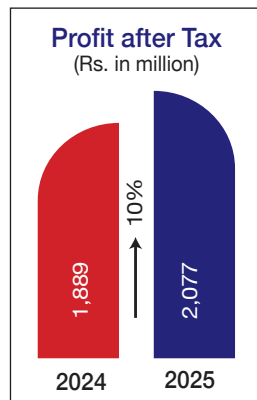
Investment Management

Your Company continues to follow a prudent and disciplined investment strategy, focusing on fundamentally strong securities that offer both attractive dividend yields and long-term growth potential. By maintaining a balanced portfolio across fixed income and equity instruments, and adapting to prevailing market conditions, the Company aims to generate sustainable returns while managing risk effectively. The Investment Committee regularly reviews portfolio performance and reports to the Board periodically, ensuring oversight and strategic alignment.

During the year, the Company achieved investment income of Rs. 2.080 billion, up 10% from Rs. 1.892 billion in 2024, driven by higher realized gains and improved dividend income. The market value of investments as of December 31, 2025, stood at Rs. 16.052 billion, reflecting strong growth from Rs. 11.975 billion at the end of 2024. These results underscore our commitment to disciplined investing and creating long-term value for shareholders.

Profitability

As a result of increase in gross and net premiums, the underwriting profit increased by 17% to Rs. 1.205 billion compared to Rs. 1.035 billion last year. The profit before tax increased to Rs. 3.393 billion against Rs. 3.111 billion of last year, up 9% mainly due to increase in underwriting profit and investment income. After providing for taxes including super tax aggregating to Rs. 1.317 billion, the profit after tax stood at Rs. 2.077 billion compared to Rs. 1.889 billion last year, up, 10%.



Capital Management

Capital management remains a key pillar of our strategy to ensure financial stability, support sustainable growth, and optimize our portfolio. Your Company is committed to maintaining a strong financial profile, providing the flexibility needed to pursue growth opportunities while effectively managing risk. As of December 31, 2025, the Company had a paid-up capital of Rs. 1.494 billion and an equity base of Rs. 10.986 billion, reflecting significant growth from Rs. 8.167 billion as of December 31, 2024. This solid foundation positions the Company well to capitalize on future opportunities and continue delivering value to the shareholders.

Reinsurance

The global reinsurance market continues to be shaped by persistent catastrophic events, inflationary pressures, and evolving geopolitical risks, particularly in conflict-affected regions such as Ukraine and Russia. Despite these challenges, market conditions remained favorable for financially strong insurers, while reinsurers have maintained a prudent and selective approach to underwriting.

Against this backdrop, your Company has successfully renewed the treaty arrangements, achieving further enhancements in terms and capacities. Swiss Re continues to serve as the lead reinsurer, followed by Hannover Re. Additional capacity from Saudi Re, Labuan Re, Malaysian Re, and PRCL has further strengthened the reinsurance program, with PRCL providing top-layer catastrophe protection to ensure robust coverage against natural catastrophe exposures.

These arrangements reflect the commitment to maintaining a resilient reinsurance structure, safeguarding the Company against emerging risks, and supporting continued growth across all segments.

Solvency

The solvency ratio is a key measure of an insurance company's ability to meet its obligations, providing a clear indication of the financial buffer available to settle claims even under extreme circumstances. Your Company remains committed to maintaining a strong cash position and a robust asset base, ensuring that it can meet any sudden liquidity requirements and comfortably meets the solvency requirements prescribed by the SECP, reflecting our focus on financial strength, stability, and long-term sustainability.

Information Technology

The role of technology is evolving rapidly, as businesses increasingly rely on digital solutions to drive growth, enhance operational efficiency, and deliver superior customer experiences. Your Company remains committed to strengthening its IT capabilities and advancing towards a fully digitalized environment.

During the year, key initiatives included the in-house development of APIs to integrate web portals with the core ERP system, enhancements to B2B and B2C portals, mobile app optimization, and the integration of AI technologies such as chatbots and predictive forecasting tools. Your Company has also expanded online sales for selected products, enhanced customer support across web and mobile platforms, and implemented GIS-enabled workflow automation to streamline operations and boost productivity.

These efforts demonstrate the ongoing commitment to digital transformation, operational excellence, and providing the customers with a seamless, modern, and technology-driven experience.

Human Resource and Associate Development

Creating a work environment that supports learning, development, and engagement is central to our philosophy, as we recognize that our employees' growth directly contributes to both organizational success and their own professional development.

Your Company remains committed to enhancing workforce's skills and capabilities, fostering productivity, efficiency, and job satisfaction while promoting self-respect, dignity, and integrity. By investing in internal, external, and online training programs, your Company upholds the Atlas group philosophy of "Organization development through self-development," which continues to be pivotal to our success.

Your Company's HR strategy embodies "The Atlas Way," integrating culture and systems to deliver sustainable business impact. Guided by the three Rs—Respect, Recognition, and Reward—your Company aligns people practices with strategic priorities, ensuring the right talent, structure, and culture to drive results. Through these initiatives, we cultivate high-performing, collaborative teams built on trust, empowerment, and accountability.

Implementation of IFRS 17

The SECP has initiated a four-phased program for the implementation of IFRS 17, scheduled for completion by December 31, 2026. This new standard requires a comprehensive overhaul of existing systems and Standard Operating Procedures (SOPs). Your Company has successfully completed the first three phases within the stipulated timeframe and has also procured the software to support actuarial and accounting functions and generate systematic financial statements under IFRS 17. These initiatives underscore our proactive approach to regulatory compliance, operational readiness, and commitment to transparent and accurate financial reporting.

Transition Plan towards Takaful

In line with SECP's Strategic Transition Plan for the insurance industry's shift toward a Riba-free economy, your Company has initiated a phased transition from conventional operations to a full-fledged Takaful model. This strategic shift, overseen by a dedicated Steering Committee and guided by an appointed Shariah Advisor, focuses on Shariah-compliant products conversion, restructuring of investment portfolios, improved re-takaful arrangements and enhancement of governance frameworks, while ensuring regulatory compliance and minimal disruption to existing policyholders.

While the Board remains fully committed to this transformation and to capturing the growing Takaful market opportunity, it recognizes certain transition-related challenges—particularly relating to the treatment of legacy portfolios and investments, re-takaful arrangements, bank limits, capital and solvency alignment, and harmonization of regulatory, accounting, and disclosure requirements—which necessitate continued engagement and guidance from the SECP to ensure a smooth, transparent, and sustainable industry-wide transition.

Risk Management System

Your Company operates in an environment of diverse internal and external uncertainties that can impact strategic, operational, and financial objectives. Effective risk management is therefore central to our ability to identify potential threats and opportunities, allowing us to respond proactively while safeguarding the business.

To this end, we have developed an internal risk management framework that enables timely and appropriate action to minimize risks. In addition, our Risk Management & Compliance Committee oversees systems and processes to manage risks effectively and capitalize on emerging business opportunities. These initiatives underscore our commitment to building a resilient organization that is well-prepared to navigate challenges and sustain growth.

Compliance Function

Your Company maintains a well-structured compliance framework designed to ensure adherence to all applicable laws, regulations, rules, and guidelines. Compliance requirements are fully integrated into departmental and functional policies and procedures, enabling the Company to meet regulatory obligations while maintaining operational efficiency.

The Compliance Officer leads these efforts, working closely with all departments to ensure strict adherence to internal policies, procedures, and regulatory requirements. This proactive approach helps prevent non-compliance, safeguarding the Company from financial or reputational risks, and reinforces our commitment to integrity, transparency, and good governance.

Corporate Social Responsibility

Your Company remains committed to fostering an inclusive work environment where opportunities are based solely on merit, irrespective of race, religion, color, or background. Guided by the Atlas Group philosophy, we strive to act ethically towards society and contribute meaningfully to social development in the country. During the year, the Company contributed Rs. 31.11 million to its associated concern, Atlas Foundation, which carries out various welfare initiatives primarily focused on health and education. These efforts reflect our belief that what we receive from society should be shared with society, reinforcing our commitment to corporate social responsibility and sustainable community development.

Rating by PACRA

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the Insurer Financial Strength (IFS) rating of your Company at "AA+" with stable outlook. The rating reflects the financial soundness of the Company. The rating considers a robust liquidity profile, providing strong coverage to the Company's obligations. PACRA has also acknowledged that the Company has a strong panel of reinsurers with favorable treaty terms and prudent risk retention policies.

Performance Evaluation of the Board and Committees of the Board

During the year under review, the Board effectively discharged its responsibilities, actively participating in all strategic matters and closely monitoring management performance. The Board also reviewed and approved the Company's financial budget and capital expenditure, ensuring alignment with strategic priorities. The Audit Committee, Investment Committee, and the Ethics, Human Resource & Remuneration Committee continued to perform their duties efficiently, providing oversight and guidance across key operational and governance areas.

To ensure continued effectiveness, the Board has a strong mechanism for self-evaluation. A comprehensive Board Evaluation Questionnaire is circulated annually among directors, and the compiled results are reviewed in Board meetings, reinforcing a culture of accountability, continuous improvement, and strong corporate governance.

Contribution to the National Exchequer

Your Company contributed a sum of Rs. 2.82 billion towards government exchequer on account of various levies and taxes during the year under review. The Atlas Group, of which the Company is a constituent member, played a significant role in the Group's substantial contribution to the national exchequer, establishing the Atlas Group among the highest taxpayers in the country.

Future Outlook

Looking ahead, Pakistan's economic outlook shows cautious improvement, underpinned by enhanced macroeconomic discipline, relative stability in the external sector, and a gradual recovery in domestic demand. While growth is expected to remain moderate in the near term, continued engagement with multilateral partners, prudent fiscal management, and easing inflationary pressures are creating room for renewed investment and industrial activity. Structural reforms in energy, taxation, and state-owned enterprises, along with robust remittance inflows and a resilient services sector, are anticipated to support economic stability. Sustaining reforms, enhancing competitiveness, and unlocking private-sector-led growth will be essential for inclusive economic progress.

Looking ahead, sustaining this positive momentum will hinge on the successful implementation of critical structural reforms. By maintaining a strong focus on these key initiatives, Pakistan is well-positioned to consolidate its economic achievements, drive long-term sustainable growth and ultimately realize its full economic potential. Your Company is strategically aligned and dedicated to addressing challenges by enhancing its operational performance with the objective of developing a long-term business strategy that consistently generates value for stakeholders.

In this regard, the 'Atlas Way, and 'Atlas Systems' remain integral to our core business philosophy:

صغ گیسوئے تابدار کو اور بھی تابدار کر

(Let us continue to brighten the future)

Acknowledgement

I wish to express my sincere appreciation to our valued shareholders, clients, reinsurers, SECP and financial institutions whose cooperation and support over the years strengthened our relationship, which plays a vital role in improving our products and services and contribution to society and national economy.

I also appreciate the valuable contribution and active role of the Board of Directors in supporting and guiding the management. I would also like to express my gratitude to the Chief Executive Officer, Mr. Babar Mahmood Mirza and his team for their efforts, dedication, and sincerity of purpose.



Iftikhar H. Shirazi
Chairman

پاکستان کرڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے آپ کی کمپنی کی انشورر فنانشل اسٹریٹجی (IFS) ریٹنگ "AA+" مستحکم آؤٹ لک کے ساتھ برقرار رکھی ہے۔ یہ ریٹنگ کمپنی کی مالی مضبوطی کی عکاسی کرتی ہے۔ اس ریٹنگ میں مضبوط لیکویڈیٹی پر دفائل کو مد نظر رکھا گیا ہے، جو کمپنی کی ذمہ داریوں کے لیے مضبوط کوریج فراہم کرتا ہے۔ PACRA نے پیچھے تسلیم کیا ہے کہ کمپنی کے پاس ری انشوررز کا ایک مضبوط پینل موجود ہے، جس کے ذریعے شرائط موافق ہیں اور رسک ریٹیشن پالیسیاں محتاط نوعیت کی ہیں۔

بورڈ اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز نے اپنی ذمہ داریاں مؤثر انداز میں ادا کیں، تمام اسٹریٹجک معاملات میں فعال شرکت کی اور انتظامیہ کی کارکردگی کی ترقی نگرانی کی۔ بورڈ نے کمپنی کے مالیاتی ہیٹ اور کچھ اہم اجراءات کا جائزہ لے کر انہیں منظور کیا، تاکہ اسٹریٹجک ترجیحات کے ساتھ ہم آہنگی کو یقینی بنایا جاسکے۔ آؤٹ لک، انویسٹمنٹ کمیٹی، اور اسٹریٹجی، ہیومن ریسورس اینڈ ریٹرنز کمیٹی نے بھی اپنی ذمہ داریاں مؤثر انداز میں انجام دیں اور کلیدی آپریشنل اور گورننس شعبوں میں نگرانی اور رہنمائی فراہم کی۔

مستقل موزٹ کو یقینی بنانے کے لیے بورڈ کے پاس خود احتسابی کا مضبوط نظام موجود ہے۔ ایک جامع بورڈ ایویلیویشن سولاناہ سالانہ بنیاد پر ڈائریکٹرز میں تقسیم کیا جاتا ہے، اور اس کے مرتب شدہ نتائج بورڈ اجلاس میں زیر غور لائے جاتے ہیں، جس سے جو اب بھی، مسلسل بہتری اور مضبوط کارپوریٹ گورننس کو فروغ ملتا ہے۔

قومی خزانے میں حصہ

زیر جائزہ سال کے دوران آپ کی کمپنی نے مختلف محصولات اور ٹیکسوں کی مد میں 2.82 ارب روپے قومی خزانے میں جمع کروائے۔ ٹیکس گروپ، جس کا آپ کی کمپنی ایک جزو ہے، نے قومی خزانے کی بہتری میں نمایاں کردار ادا کیا، اور اس نمایاں شرکت کے نتیجے میں ٹیکس گروپ ملک کے بڑے ٹیکس دہندگان میں شمار ہوتا ہے۔

مستقبل کا احوال

مستقبل قریب میں پاکستان کی معاشی صورت حال محتاط بہتری کی عکاسی کرتی ہے، جس کی بنیاد بہتر میکرو اکنامک نظم و ضبط، بیرونی شعبے میں تسبیح استحکام اور مقامی طلب میں ترقی بحالی پر ہے۔ اگرچہ قریبی مدت میں شرح نمو معتدل رہنے کی توقع ہے، تاہم کثیرالجہتی شرکت اداروں کے ساتھ مسلسل روابط محتاط مالیاتی نظم و نسق اور پیننگ کے دباؤ میں کمی سرمایہ کاری اور صنعتی سرگرمیوں کے لیے مواقع پیدا کر رہی ہے۔ توانائی، ٹیکس نظام اور سرکاری اداروں میں ساختی اصلاحات، مضبوط ترسیلات زر اور مستحکم سرمایہ منیجر معاشی استحکام کی حمایت کرنے کی توقع رکھتے ہیں۔ اصلاحات کے تسلسل، مسابقت میں اضافے اور نئی شعبے کی قیادت میں ترقی کے فروغ کے بغیر جامع معاشی ترقی ممکن نہیں ہوگی۔

آئندہ کے لیے، اس مثبت رفتار کو برقرار رکھنا اہم ساختی اصلاحات کے کامیاب نفاذ پر منحصر ہوگا۔ ان کلیدی اقدامات پر مضبوط توجہ برقرار رکھتے ہوئے پاکستان اپنی معاشی کامیابیوں کو مستحکم کرنے، طویل مدتی پائیدار ترقی کو فروغ دینے اور اپنی مکمل معاشی صلاحیت کو بروئے کار لانے کے لیے بہتر پوزیشن میں ہے۔ آپ کی کمپنی اس حکمت عملی کے ساتھ ہم آہنگ ہے اور آپریشنل کارکردگی کو بہتر بنا کر پیچھے رہنے سے بچنے کے لیے ہر عزم ہے، تاکہ ایک طویل مدتی کاروباری حکمت عملی تشکیل دی جاسکے جو اسٹیک ہولڈرز کے لیے مستقل قدر پیدا کرے۔

اس ضمن میں، ٹیکس وے اور ٹیکس سسٹمز ہمارے بنیادی کاروباری فلسفے کا لازمی حصہ ہیں:

صغ گیسوئے تابدار کو اور بھی تابدار کر

اظہار تشکر

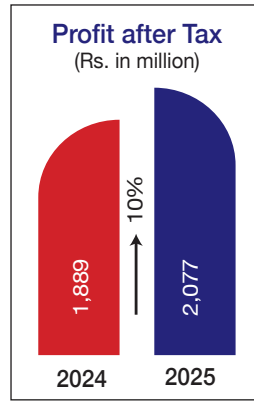
میں اپنے معزز شیئر ہولڈرز، صارفین، ری انشوررز، ایس ای سی بی اور مالیاتی اداروں کا تہہ دل سے شکر یہ ادا کرتا ہوں، جن کے تعاون اور حمایت نے برسوں کے دوران ہمارے تعلقات کو مضبوط بنایا، جو ہماری مصنوعات اور خدمات میں، بہتری اور معاشرے کو معیشت میں مؤثر کردار ادا کرنے میں اہم حیثیت رکھتے ہیں۔

میں بورڈ آف ڈائریکٹرز کے قیمتی تعاون اور انتظامیہ کی رہنمائی میں ان کے فعال کردار کو بھی سراہتا ہوں۔ مزید برآں، میں چیف ایگزیکٹو آفیسر جناب باجمومر ز اور ان کی ٹیم کی محنت، لگن اور خلوص نسبت پر اپنی گہری قدر دانی کا اظہار کرتا ہوں۔



افتخار حیدر شیرازی
چیئر مین

مجموعی اور خالص پریمیم میں اضافے کے نتیجے میں انڈر رائٹنگ منافع 17 فیصد بڑھ کر 1.205 ارب روپے ہو گیا، جبکہ گزشتہ سال یہ 1.035 ارب روپے تھا۔ قبل از بینگس منافع 9 فیصد اضافے سے 3.393 ارب روپے رہا، جو گزشتہ سال کے 3.111 ارب روپے کے مقابلے میں زیادہ ہے، اور یہ اضافہ بنیادی طور پر انڈر رائٹنگ منافع اور سرمایہ کاری آمدن میں اضافے کے باعث ممکن ہوا۔ سپر ٹیکس سمیت مجموعی طور پر 1.317 ارب روپے کے ٹیکس کی فراہمی کے بعد، بعد ازاں منافع 2.077 ارب روپے رہا، جو گزشتہ سال کے 1.889 ارب روپے کے مقابلے میں 10 فیصد زیادہ ہے۔



کیونکہ منجنت

سرمایہ جاتی نظم نسق ہماری حکمت عملی کا ایک بنیادی ستون ہے، جس کا مقصد مالی استحکام کو یقینی بنانا، پائیدار ترقی کی حمایت کرنا اور اپنے پورٹ فولیو کو مؤثر بنانا ہے۔ آپ کی حکمت عملی کی مضبوط مالی پوزیشن برقرار رکھنے کے لیے پُر عزم ہے، تاکہ ترقی کے مواقع سے فائدہ اٹھانے کے لیے درکار

پلگ فراہم کی جاسکے اور ساتھ ہی مؤثر انداز میں رسک منجمنٹ کو یقینی بنایا جاسکے۔ 31 دسمبر 2025 تک کمپنی کا ادا شدہ سرمایہ 1.494 ارب روپے جبکہ ایکویٹی میں 10.986 ارب روپے تھا، جو 31 دسمبر 2024 تک 8.167 ارب روپے کے مقابلے میں نمایاں اضافہ ظاہر کرتا ہے۔ یہ مضبوط بنیاد کمپنی کو مستقبل کے مواقع سے بھرپور استفادہ حاصل کرنے اور شیئرز ہولڈرز کے لیے قدرتی فراہمی جاری رکھنے کے قابل بناتی ہے۔

ری انشورنس

عالمی ری انشورنس مارکیٹ بڑے قدرتی سماعت، ہیکٹائی کے دباؤ اور بدلتے ہوئے جغرافیائی سیاسی خطرات، خصوصاً پوزیشن اور روس جیسے تنازع سے متاثر خطوں کے زیر اثر ہے۔ ان چیلنجز کے باوجود مالی طور پر مضبوط انشوررز کے لیے مارکیٹ کے حالات سازگار رہے، جبکہ ری انشوررز نے انڈر رائٹنگ میں جتنا دلچسپی رکھتی ہے، اتنا ہی بڑے انداز میں رسک منجمنٹ کو یقینی بنایا جاسکے۔ 31 دسمبر 2025 تک کمپنی کا ادا شدہ سرمایہ 1.494 ارب روپے جبکہ ایکویٹی میں 10.986 ارب روپے تھا، جو 31 دسمبر 2024 تک 8.167 ارب روپے کے مقابلے میں نمایاں اضافہ ظاہر کرتا ہے۔ یہ مضبوط بنیاد کمپنی کو مستقبل کے مواقع سے بھرپور استفادہ حاصل کرنے اور شیئرز ہولڈرز کے لیے قدرتی فراہمی جاری رکھنے کے قابل بناتی ہے۔

سلاوٹی

سلاوٹی ری انشورنس کمپنی کی ذمہ داریوں کو پورا کرنے کی صلاحیت کا ایک اہم پیمانہ ہے، جو غیر معمولی حالات میں بھی گھبرائی اور ایجنسی کے لیے دستیاب مالی بفر کی واضح نشاندہی کرتا ہے۔ آپ کی کمپنی مضبوط نقد پوزیشن اور مستحکم اثاثہ بنیاد برقرار رکھنے کے لیے پُر عزم ہے، تاکہ کسی بھی اچانک لیکویڈیٹی کی ضرورت کو پورا کیا جاسکے۔ کمپنی ایس ای سی کی جانب سے مقرر کردہ سلاوٹی تقاضوں کو با آسانی پورا کرتی ہے، جو مالی مضبوطی، استحکام اور طویل مدتی پائیداری کے لیے ہمارے توجیہ کی عکاسی کرتا ہے۔

اندرون میں اتالی

ٹیکنالوجی کا کردار تیزی سے تبدیل ہو رہا ہے، کیونکہ کاروبار ترقی کے فروغ، عملی کارکردگی میں بہتری اور صارفین کو اعلیٰ معیار کا تجربہ فراہم کرنے کے لیے ڈیجیٹل حل پر انحصار بڑھ رہا ہے۔ آپ کی کمپنی اپنی آئی ٹی صلاحیتوں کو مزید مضبوط بنانے اور مکمل طور پر ڈیجیٹل ماحول کی جانب پیش رفت کے لیے پُر عزم ہے۔

سال کے دوران اہم اقدامات میں ویب پورٹل کو ERP سسٹم کے ساتھ مربوط کرنے کے لیے اندرون خانہ APIs کی تیاری B2B اور B2C پورٹلز میں بہتری، موبائل ایپ کی آپٹیمائزیشن، اور چیٹ بٹس اور پینٹھ کوئی پینٹھ فورکاسٹنگ ٹولز جیسی مصنوعی ذہانت (AI) ٹیکنالوجی کا انضمام شامل ہے۔ آپ کی کمپنی نے منتخب مصنوعات کی آن لائن فروخت میں بھی توجیہ کی، ویب اور موبائل پلیٹ فارمز پر کسٹمر سپورٹ کو بہتر بنایا، اور پرنٹنگ اور ہمارا اور پیداواری صلاحیت کو بڑھانے کے لیے GIS سے منسلک ورک فلو اتومیشن نافذ کی۔

یہ اقدامات ڈیجیٹل تبدیلی، عملی برتری، اور صارفین کو ایک جدید اور ٹیکنالوجی پینٹھ تجربہ فراہم کرنے کے ہمارے مسلسل عزم کی عکاسی کرتے ہیں۔

انسانی وسائل اور ای سی اے ڈی وپٹ

عام کرنے کے لیے ایسا ماحول تشکیل دینا جو کیٹے ترقی اور شمولیت کی حمایت کرے، ہماری فلسفیانہ بنیاد مرکزی جڑ ہے، کیونکہ ہم سمجھتے ہیں کہ ہمارے ملازمین کی ترقی براہ راست تنظیم کی کامیابی اور ان کی ذاتی پیشقدمی ترقی میں اہم کردار ادا کرتی ہے۔

آپ کی کمپنی افرادی قوت کی ہمارا قوتوں اور صلاحیتوں کو بہتر بنانے، پیداواری صلاحیت، کارکردگی اور ملازمت کے اطمینان کو فروغ دینے کے ساتھ ساتھ خودمداری، وقار اور دیانت داری کو فروغ دینے کے لیے پُر عزم ہے۔ اندرونی، بیرونی اور آئی ٹی ترقی پر گرامر میں سرمایہ کاری کے

ذریعے، کمپنی ایس ای سی کے فلسفے "Organization Development through Self-Development" (خود ترقی کے ذریعے تنظیمی ترقی) کو برقرار رکھتی ہے، جو ہماری کامیابی میں کلیدی کردار ادا کرتا ہے۔

کمپنی کی ہیومن ریسیورس حکمت عملی "دی ایس ڈی" کی عکاسی کرتی ہے، جو ثقافت اور نظام کو یکجا کر کے پائیدار کاروباری اثرات پیدا کرتی ہے۔ تین اصولوں، احترام (Respect)، اعتراف (Recognition) اور انعام (Reward) کی رہنمائی میں، کمپنی انفرادی اور جماعتی سطح پر ایسی کارکردگی کو سراہتی ہے، تاکہ درست ٹیلنٹ، موزوں ڈھانچہ اور مناسب ثقافت کے ذریعے نتائج حاصل کیے جاسکیں۔ ان اقدامات کے ذریعے ہم اعتماد، پائیدار بنانے اور جوابدہی پر مبنی اعلیٰ کارکردگی والی اور باہمی تعاون پر مبنی تنظیمیں بناتے ہیں۔

IFRS 17 کا نفاذ

ایس ای سی بی نے IFRS 17 کے نفاذ کے لیے کارروائیوں پر مشتمل پروگرام شروع کیا ہے، جس کی تکمیل 31 دسمبر 2026 تک مقرر ہے۔ یہ نیا معیار موجودہ نظاموں اور اسٹینڈرڈ آپریٹنگ پروسیجرز (SOPs) میں جامع تبدیلی کا تقاضا کرتا ہے۔ آپ کی کمپنی نے مقررہ مدت کے اندر پہلے تین مراحل کی کامیابی سے مکمل کیے ہیں اور اگلے مراحل اور اکاؤنٹنگ انعامات IFRS 17 کے تحت منظم مالیاتی بیانات تیار کرنے کے لیے مطلوبہ سہاہت و بیرونی مدد حاصل کر لیا ہے۔ یہ اقدامات ریگولیٹری تقاضوں کی بروقت تکمیل، عملی تیاری اور شفاف و درست مالی رپورٹنگ کے ہمارے فعال طرز عمل کی عکاسی کرتے ہیں۔

مالیاتی جانب تکمیلی کامیابی

ایس ای سی بی کے اسٹریٹجک ٹرانزیشن پلان کے تحت، جس کا مقصد انشورنس صنعت کو سود سے پاک معیشت کی جانب منتقل کرنا ہے، آپ کی کمپنی نے روایتی آپریٹنگ سے مکمل نکالنے، مال کی جانب مرحلہ وار منتقلی کا آغاز کر دیا ہے۔ اس اسٹریٹجک تبدیلی کی گہرائی ایک مخصوص اسٹریٹجک کمپنی کر رہی ہے اور ایک مقررہ ٹریڈ آف اور بائیں بائیں کی رہنمائی حاصل ہے۔ اس منصوبے میں شریک کے مطابق مصنوعات میں تبدیلی، سرمایہ کاری پورٹ فولیو کی از سر نو تشکیل، بہتری کو حاصل کرنا، اور گورننس فریم ورک کی بہتری شامل ہے، جبکہ ریگولیٹری تقاضوں کی تعمیل اور موجودہ پالیسی ہولڈرز کے لیے کم سے کم عمل کو یقینی بنایا جا رہا ہے۔

اگرچہ پورڈ اس تبدیلی اور بروقتی ہوئی تکمیل مارکیٹ کے مواقع سے فائدہ اٹھانے کے لیے مکمل طور پر پُر عزم ہے، تاہم وہ بعض منتقلی سے متعلق چیلنجز کو بھی تسلیم کرتا ہے، خصوصاً لیکسی پورٹ فولیو اور سرمایہ کاری کے برتاؤ، ریٹیکل انتظامات، بیگ لیکس، سرمایہ اور سلاوٹی کی ہم آہنگی، اور ریگولیٹری، اکاؤنٹنگ اور انکشافاتی تقاضوں میں مطابقت پیدا کرنے کے حوالے سے، جن کے لیے ایس ای سی بی نے مسلسل مشاورت اور رہنمائی مانگی ہے تاکہ صنعت کی سطح پر ہموار شفاف اور پائیدار منتقلی کو یقینی بنایا جاسکے۔

رسک منجمنٹ سسٹم

آپ کی کمپنی ایس ای سی میں کام کرتی ہے جہاں اندرونی اور بیرونی نوعیت کی مختلف غیر یقینی صورتحال موجود ہوتی ہیں، جو اسٹریٹجک، آپریٹنگ اور مالیاتی مقاصد پر اثر انداز ہو سکتی ہیں۔ مؤثر رسک منجمنٹ ہماری اس صلاحیت کا بنیادی جزو ہے جس کے ذریعے ہم ممکنہ خطرات اور مواقع کی نشاندہی کرتے ہیں، تاکہ کاروبار کے تحفظ کے ساتھ بروقت اور پیشگی اقدامات کیے جاسکیں۔

اس مقصد کے لیے ہم نے ایک داخلی رسک منجمنٹ فریم ورک تشکیل دیا ہے، جو خطرات کو کم سے کم کرنے کے لیے بروقت اور مناسب اقدامات کو ممکن بناتا ہے۔ مزید برآں، ہماری رسک منجمنٹ ایڈ کسٹنس کمپنی ان نظاموں اور عملدرآمد کے طریقہ کار کی گہرائی میں ہے جو خطرات کے مؤثر انتظام اور اہم تر ہوتے ہوئے کاروباری مواقع سے فائدہ اٹھانے کو یقینی بناتے ہیں۔ یہ اقدامات ایک مضبوط اور لچکدار ادارہ تشکیل دینے کے ہمارے عزم کی عکاسی کرتے ہیں، جو چیلنجز کا سامنا کرنے اور پائیدار ترقی کو برقرار رکھنے کے لیے پوری طرح تیار ہے۔

کمپنی میں تقویت

آپ کی کمپنی ایک منظم اور جامع کمپنی میں کارکردگی برقرار رکھتی ہے، جس کا مقصد تمام قابل اطلاق قوانین، ضوابط، قواعد اور ہدایات کی مکمل تعمیل کو یقینی بنانا ہے۔ کمپنی ایس ای سی میں ضروریات کو ٹھکانا اور عملی پالیسیوں اور طریقہ کار میں مکمل طور پر عزم کیا گیا ہے، تاکہ کمپنی ریگولیٹری ذمہ داریوں کو پورا کرتے ہوئے آپریٹنگ کارکردگی بھی برقرار رکھ سکے۔

کمپنی ایس ای سی کو کمپنیوں کی قیادت کرتا ہے اور تمام حکموں کے ساتھ قریبی تعاون میں کام کرتا ہے تاکہ داخلی پالیسیوں، طریقہ کار اور ریگولیٹری تقاضوں کی سختی سے پابندی کو یقینی بنایا جاسکے۔ پیشگی اور فعال طرز عمل عدالتوں کے امکان کو کم کرتا ہے، کمپنی کو مالی ہاسک کے خطرات سے محفوظ رکھتا ہے، اور دیانت داری، شفافیت اور اچھی حکمرانی کے لیے ہمارے عزم کو مزید مضبوط کرتا ہے۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی ایک ایسے جامع اور سادہ کام کے ماحول کے فروغ کے لیے پُر عزم ہے جہاں مواقع صرف اور صرف میرٹ کی بنیاد پر فراہم کیے جاتے ہیں، خواہ نسل، مذہب، رنگ یا پس منظر کچھ بھی ہو۔ ایس ای سی کے فلسفے کی رہنمائی میں ہم معاشرے کے ساتھ اخلاقی طرز عمل اختیار کرنے اور ملکہ سماجی ترقی میں باہمی کردار ادا کرنے کی کوشش کرتے ہیں۔

سال کے دوران کمپنی نے اپنی تعلیمی تنظیم ایس ای سی فاؤنڈیشن کا 31.1 لاکھ روپے کا عطیہ فراہم کیا، جو صحت اور تعلیم کے شعبوں میں مختلف فلاحی اقدامات انجام دیتی ہے۔ یہ کارڈیشن ایس ای سی کے فلسفے کی عکاسی کرتی ہیں جو کہ ہمیں معاشرے سے حاصل ہوتا ہے معاشرے کے ساتھ باہمی وابستگی، اور ایسی سوچ کے تحت ہم کارپوریٹ سماجی ذمہ داری اور پائیدار ترقی کے لیے اپنے عزم کو مضبوط رکھتے ہیں۔

چیرمین کی جانب سے جائزہ

مجھے یہ مسرت حاصل ہے کہ میں بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے کینیڈا کی 91 ویں سالانہ رپورٹ اور کارکردگی کا جائزہ پیش کر رہا ہوں۔

معیشت

پاکستان کی معیشت بھرپور ترقی کا مظاہرہ جاری رکھے ہوئے ہے اور اہم معاشی اشاریے معتدل بحالی کی عکاسی کر رہے ہیں۔ پیش رفت نام مالیاتی پالیسیوں، جاری ساختی اصلاحات اور بین الاقوامی مالیاتی اداروں کی مسلسل معاونت کے باعث ممکن ہوئی ہے۔ نتیجتاً مالی سال 2026 میں جی ڈی پی کی شرح نمو 3.2 فیصد تک بڑھنے کی توقع ہے، جو گزشتہ سال کے 3.04 فیصد کے مقابلے میں زیادہ ہے۔ بیرونی کھاتے کے بہتر انتظام، ہوٹلنگ کی دباؤ میں کمی اور غیر خزانہ جاتی بیرونی قوم کی زیادہ آمد سے ملکی معاشی سرگرمیوں کو سہارا ملنے کی توقع ہے؛ تاہم بیرونی اور مالیاتی چیلنجز بدستور موجود ہیں۔

بیرونی تاجز پر دسمبر 2025 کے دوران جاری کھاتے کا خسارہ 24.4 بلین امریکی ڈالر ریکارڈ کیا گیا، جبکہ رواں مالی سال کے دوران مجموعی خسارہ 1.174 ارب امریکی ڈالر رہا۔ برآمدات 8.7 فیصد کی ساتھ 15.2 ارب امریکی ڈالر رہیں، جبکہ درآمدات 11 فیصد اضافے سے 34.4 ارب امریکی ڈالر تک پہنچ گئیں، جس کے نتیجے میں تجارتی خسارہ 19.2 ارب امریکی ڈالر رہا۔ ترسیلات زر نے بیرونی کھاتے کو اہم سہارا فراہم کیا، جو سال پور سال 10.5 فیصد اضافے سے 19.7 ارب امریکی ڈالر تک پہنچ گئیں، جس سے زرمبادلہ کے ذخائر بڑھ کر 21 ارب امریکی ڈالر ہو گئے، جو مارچ 2022 کے بعد بلند ترین سطح ہے۔ مہنگائی میں کمی کے آثار نمایاں ہوئے اور دسمبر 2025 میں CPI 5.6 فیصد تک آ گیا، جس سے اسٹیٹ بینک آف پاکستان کو پالیسی ریٹ میں 50 بیس پوائنٹس کمی کر کے اسے 10.5 فیصد تک لانے کی گنجائش ملی۔ ایف بی آر کی وصولیاں 6,159 ارب روپے تک پہنچ گئیں، جو گزشتہ سال کے اسی عرصے کے مقابلے میں 10.2 فیصد اضافہ ظاہر کرتی ہیں۔ مالیاتی منڈیوں میں مثبت رجحان نمایاں رہا اور بیٹھ مارک KSE-100 انڈیکس 187,000 پوائنٹس سے تھوڑا کرتے ہوئے تاریخی بلند ترین سطح پہنچ گیا۔

زرعی شعبے نے مالی سال 2026 کی پہلی سہ ماہی میں 2.89 فیصد معتدل ترقی حاصل کی۔ حکومت کی جانب سے بروقت قرضوں، بیج، کھاد اور مشینی سہولیات کی فراہمی اس شعبے کے لیے معاون ثابت ہو رہی ہے۔ مالی سال 2026 کی پہلی ششماہی میں زرعی قرضوں کی فراہمی میں 18.6 فیصد اضافہ ہوا، جبکہ زرعی مشینری کی درآمدات میں 27.3 فیصد اضافہ ریکارڈ کیا گیا، جوئی سرمایہ کاری اور زرعی پیداوار میں مدد دینے کی نشاندہی کرتا ہے۔

بڑے پیمانے کی صنعتوں (LSM) کے شعبے نے مالی سال 2026 کے ابتدائی پانچ ماہ میں 6.01 فیصد ترقی ریکارڈ کرتے ہوئے اپنی اوپر کی جانب پیش رفت جاری رکھی۔ 22 مئی سے 16 سبھوں نے ترقی دکھائی، جن میں آٹوموبائل، ٹیکسٹائل، سینٹ، پیٹرولیم مصنوعات اور برقی آلات شامل ہیں۔ آٹوموبائل شعبے کی کارکردگی مستحکم رہی، جس کی بنیاد کاروں، ٹرکوں اور موٹر سائیکلوں کی پیداوار میں نمایاں اضافے پر رہی۔ تاہم حکومت کی جانب سے بہتر پالیسی اقدامات کی بدولت بڑے پیمانے کی صنعتوں کے شعبے میں مزید بہتری کی توقع ہے۔

اقتصادی تجزیہ

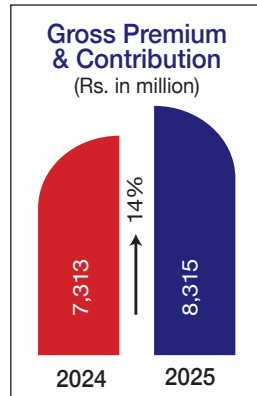
سال 2025 میں پاکستان کے نان لائف انشورنس شعبے نے مستحکم مگر معتدل ترقی کا مظاہرہ کیا، جس میں مجموعی تحریک شدہ پریمیم میں اضافہ بنیادی طور پر نمو ریز صورت اور جائیداد انشورنس کی مسلسل طلب کے باعث ہوا۔ اگرچہ شرح نمو گزشتہ برسوں کے مقابلے میں سست رہی، تاہم بہتر انڈر رائٹنگ نظم و ضبط، مناسب قیمتوں کے تعین اور معاون سرمایہ کاری منافع نے شعبے کو سہارا دیا۔ مجموعی طور پر گھبر میں اتار چڑھاؤ کے باوجود نان لائف انشوررز بڑی حد تک منافع برقرار رکھنے میں کامیاب رہے۔

سال کے دوران ساختی اور ریگولیٹری پیش رفت بھی دیکھنے میں آئی، جس میں پاکستان کی پہلی مکمل ڈیجیٹل نان لائف انشورنس کمپنی کو لائسنس کا اجراء اور نان لائف تکلف کی مسلسل توسیع شامل ہے۔ ریگولیٹری اصلاحات، بین الاقوامی رپورٹنگ معیارات کو اپنانا اور ڈیجیٹل تنظیم کو توجہ سے شفافیت اور جدت کو مزید مضبوط کیا۔ تاہم اہم انشورنس رسائی اور پیچیدگی معاشی حالات اب بھی اہم رکاوٹیں ہیں، جس کے باعث مستقبل میں ترقی کے نمایاں امکانات موجود ہیں۔

کینیڈا کے نتائج

پریم اور تکلف کنٹری بیوشن

سال کے دوران آپ کی کمپنی نے 8.31 ارب روپے کا مجموعی پریمیم (شمول تکلف کنٹری بیوشن) رپورٹ کیا، جو گزشتہ سال کے 7.31 ارب روپے کے مقابلے میں 14 فیصد اضافہ ظاہر کرتا ہے۔ تکلف کنٹری بیوشن 1,258 بلین روپے رہا، جو 2024 کے 767 بلین روپے کے مقابلے میں 64 فیصد زیادہ ہے۔ خالص پریمیم اور خالص تکلف کنٹری بیوشن 4.25 ارب روپے رہا، جو 2024 کے 3.41 ارب روپے کے مقابلے میں 25 فیصد اضافہ ہے۔



شعبہ جاتی تحلیلات

فائز اور پراپرٹی ڈیولپمنٹ

فائز اور پراپرٹی ڈیولپمنٹ نے سال کے دوران مستحکم کارکردگی کا مظاہرہ کیا، جس میں منافع پر مسلسل توجہ اور بہتر شیڈولنگ شامل ہے۔ اگرچہ مجموعی تحریک شدہ پریمیم 7 فیصد کی ساتھ پر مسلسل توجہ اور بہتر شیڈولنگ شامل ہے۔ اگرچہ مجموعی تحریک شدہ پریمیم 7 فیصد کی ساتھ

2.72 ارب روپے رہا (2024: 2.93 ارب روپے)، تاہم خالص تحریک شدہ پریمیم 10 فیصد اضافے سے 658 ملین روپے تک پہنچ گیا (2024: 597 ملین روپے)، جو زیادہ شیڈولنگ کی عکاسی کرتا ہے۔ خالص گھبر کی شرح گزشتہ سال کے 3 فیصد کے مقابلے میں معمولی اضافے سے 6 فیصد رہی، جو قابل انتظام سطح پر برقرار رہی۔ نتیجتاً اس شعبے نے 133 ملین روپے انڈر رائٹنگ منافع حاصل کیا، جو 2024 کے 100 ملین روپے کے مقابلے میں 33 فیصد اضافہ ہے، اور یہ اضافہ زیادہ خالص پریمیم آمد کی بدولت ممکن ہوا۔

میرین، ایوی ایشن اور ٹرانسپورٹ

میرین شعبے نے سال کے دوران مضبوط کارکردگی کا مظاہرہ کیا، جس میں پریمیم میں نمایاں اضافہ اور مسلسل منافع شامل ہے۔ مجموعی تحریک شدہ پریمیم 23 فیصد اضافے سے 1.76 ارب روپے رہا (2024: 1.43 ارب روپے)، جبکہ خالص پریمیم 1,244 ملین روپے تک پہنچ گیا (گزشتہ سال: 950 ملین روپے)۔ خالص گھبر کی شرح 8 فیصد پر برقرار رہی، جو نظم و ضبط یعنی انڈر رائٹنگ اور موثر رسک مینجمنٹ کی عکاسی کرتی ہے۔ نتیجتاً انڈر رائٹنگ منافع 28 فیصد اضافے سے 869 ملین روپے رہا (2024: 677 ملین روپے)، جو زیادہ خالص پریمیم آمد کے باعث ممکن ہوا۔

موٹر

موٹر شعبے نے مستحکم ترقی حاصل کی، اور مجموعی تحریک شدہ پریمیم 1.33 ارب روپے تک پہنچ گیا، جو 2024 کے 1.15 ارب روپے کے مقابلے میں 16 فیصد اضافہ ہے۔ خالص پریمیم بھی 9 فیصد اضافے سے 1,024 ملین روپے رہا (گزشتہ سال: 938 ملین روپے)۔ گھبر کی شرح بلند رہی، جس کی بنیادی وجہ کارپٹی میں بارش اور اس آسما آسما باد میں ڈال ہاری رہی۔ اس کے باوجود اس شعبے نے 227 ملین روپے انڈر رائٹنگ منافع حاصل کیا، جو رسک مینجمنٹ اور سٹرسروں کے حوالے سے ہمارے نظم و ضبط کی عکاسی کرتا ہے۔

تعمیراتی

متفرق شعبے نے مجموعی تحریک شدہ پریمیم میں 21 فیصد اضافہ ریکارڈ کیا، جو 1.25 ارب روپے رہا (2024: 1.03 ارب روپے)۔ خالص پریمیم 54 فیصد اضافے سے 617 ملین روپے تک پہنچ گیا (گزشتہ سال: 400 ملین روپے)۔ خالص گھبر کی شرح 2024 کے 9.3 فیصد کے مقابلے میں بہتر ہو کر 6.8 فیصد رہی، جو بہتر انڈر رائٹنگ اقدامات کی عکاسی کرتی ہے۔ نتیجتاً اس شعبے کا خسارہ نمایاں طور پر کم ہو کر 24 ملین روپے رہ گیا، جبکہ گزشتہ سال 151 ملین روپے تھا۔

وڈ کال آریجیٹ

وڈ کال ٹیکسٹل شعبے نے سال کے دوران مضبوط ٹاپ لائن ترقی حاصل کی، جس میں مجموعی کنٹری بیوشن 64 فیصد اضافے سے 1,258 ملین روپے رہا (2024: 767 ملین روپے)۔ یہ اضافہ فائزر، میرین اور موٹر پورٹ فولیو سے زیادہ کنٹری بیوشن کے باعث ممکن ہوا۔ خالص کنٹری بیوشن بھی 37 فیصد اضافے سے 356 ملین روپے رہا، جو صارفین کے اعتماد اور مارکیٹ میں بڑھتی ہوئی پذیرائی کی عکاسی کرتا ہے۔ شرکا و تکلف فنڈ میں 70 ملین روپے فاضل رقم ریکارڈ کی گئی، جبکہ پریئر فنڈ نے 75 ملین روپے منافع حاصل کیا، اور گھبر اور سرمایہ کاری آمد میں صاف چیلنجز کے باوجود مستحکم کارکردگی برقرار رکھی۔ مجموعی طور پر اس شعبے کے نتائج شریکہ کمپلائنس کے عمل کی توسیع اور شرکا اور کمپنی دونوں کے لیے قدر کی فراہمی کے عزم کی عکاسی کرتے ہیں۔

سرمایہ کاری مینجمنٹ

آپ کی کمپنی تجارتی اور منظم سرمایہ کاری حکمت عملی پر عمل پیرا ہے، جس میں بنیادی طور پر مضبوط سکیورٹیز پر توجہ دی جاتی ہے جو پرکشش منافع بخش منافع (Dividend Yield) اور طویل مدتی ترقی کی صلاحیت رکھتی ہوں۔ مختصر مدتی اور ایکٹیو آلات پر مشتمل متوازن پورٹ فولیو برقرار رکھنے اور مارکیٹ کی موجودہ صورتحال کے مطابق حکمت عملی اپناتے ہوئے، کمپنی موثر رسک مینجمنٹ کے ساتھ بائیں مارمنٹ منافع حاصل کرنے کا ہدف رکھتی ہے۔ انویسٹمنٹ کمپنی کا قاعدگی سے پورٹ فولیو کی کارکردگی کا جائزہ لیتے ہیں اور وقتاً فوقتاً بورڈ کو رپورٹ پیش کرتے ہیں، تاکہ نگرانی اور اسٹریٹجک ہم آہنگی کو یقینی بنایا جاسکے۔

سال کے دوران کمپنی نے 2.08 ارب روپے کی سرمایہ کاری آمد حاصل کی، جو 2024 کے 1.89 ارب روپے کے مقابلے میں 10 فیصد زیادہ ہے۔ یہ اضافہ زیادہ ریٹائرڈ گینرز اور بہتر ڈیویڈنڈ آمد کی بدولت ممکن ہے۔ 31 دسمبر 2025 تک سرمایہ کاری کی مارکیٹ ویلیو 16.05 ارب روپے رہی، جو 2024 کے اختتام پر 11.97 ارب روپے کے مقابلے میں نمایاں اضافہ ظاہر کرتی ہے۔ یہ نتائج نظم و ضبط یعنی سرمایہ کاری اور ڈیویڈنڈ پورٹ فولیو کے لیے طویل مدتی قدر پیدا کرنے کے ہمارے عزم کا جائزہ کرتے ہیں۔

DIRECTORS' REPORT

The directors of your Company take pleasure in presenting their report together with the audited financial statements and Auditors' Report thereon for the year ended December 31, 2025. The director's report prepared under Section 227 of the Companies Act, 2017 and Clause (xxvi) of the Code of Corporate Governance, for Insurers, 2016, will be put forward to the members at the ninety first Annual General Meeting of the Company to be held on April 20, 2026.

Financial Results

The following is the overall performance of the Company for the year ended December 31, 2025:

	<u>2025</u> (Rupees in thousand)	<u>2024</u>
Gross premium	7,056,146	6,545,434
Gross contribution from Window Takaful Operations	1,258,355	767,210
Profit for the year before tax	3,393,428	3,111,206
Taxation	(1,316,641)	(1,222,444)
Profit for the year after tax	2,076,787	1,888,762
Un-appropriated profit brought forward	27,961	24,232
Profit available for appropriation	2,104,748	1,912,994
*Appropriations:		
Transferred to general reserve	(806,000)	(615,000)
Interim cash dividend @ 25% (2024: 25%)	(373,539)	(373,539)
Proposed Final cash dividend @ 60% (2024: @ 60%)	(896,494)	(896,494)
	(2,076,033)	(1,885,033)
Unappropriated balance carried forward	28,715	27,961

* The Board of Directors has recommended a final cash dividend of Rs. 6.0 per share i.e. 60% for the year ended December 31, 2025. This is in addition to the 25% interim dividend disbursed during the year 2025. The financial statements do not reflect appropriations of proposed final payouts in compliance with the Companies Act, 2017.

Earnings per share

The earnings per share after tax are Rs. 13.91 against Rs. 12.64 of 2024.

Chairman's Review

The Chairman's Review, included in the annual report, deals inter alia with the performance of the Company for the year ended December 31, 2025, and future prospects. The Directors endorse the contents of the review.

Board of Directors

The Board of Directors consists of seven individuals having the knowledge, skill and experience required to provide oversight and strategic guidelines for the Company. All the Directors, except the CEO, are non-executive directors, including two who are also independent directors, and one of them is female Director.

None of the Directors on the Board is the Director of more than seven (7) listed companies including this Company. All the Directors represent diverse fields / professions and possess all the necessary skills and understanding to deal with various business issues and have the ability to review management performance.

The Board has set up the following sub-committees:

Audit Committee:

Names	Category
Mr. Hasan Reza ur Rahim	Chairman
Mr. Ali H. Shirazi	Member
Mr. Frahim Ali Khan	Member
Mr. Muhammad Afzal	Secretary

Ethics, Human Resource & Remuneration Committee:

Names	Category
Mrs. Roohi Raees Khan	Chairperson
Mr. Ali H. Shirazi	Member
Mr. Frahim Ali Khan	Member
Mr. Babar Mahmood Mirza	Member
Ms. Qudsia Naheed	Secretary

Investment Committee:

Names	Category
Mr. Ali H. Shirazi	Chairman
Mr. Frahim Ali Khan	Member
Mr. M. Habib-ur-Rahman	Member
Mr. Babar Mahmood Mirza	Member
Mr. Muhammad Aasim Gul	Member
Mr. Muhammad Afzal	Secretary

The Board had five (5) and the Audit Committee had four (4) meetings during the year. Attendance by each director / member was as follows:

S. No.	Directors	Directorship in listed companies including Atlas Insurance Limited	Attendance in the meetings of	
			Board of Directors	Audit Committee
1	Mr. Iftikhar H. Shirazi	1	5/5	N/A
2	Mr. Ali H. Shirazi	5	5/5	4/4
3	Mr. Frahim Ali Khan	1	4/5	3/4
4	Mr. Hasan Reza ur Rahim	3	5/5	4/4
5	Mr. M. Habib-ur-Rahman	1	5/5	N/A
6	Mrs. Roohi Raees Khan	2	5/5	N/A
7	Mr. Babar Mahmood Mirza	1	5/5	N/A

Before each meeting of the Board a closed period is determined by the Company during which Directors, CEO, executives of the Company and their spouses are not allowed to trade in shares of the Company in any manner, whether directly or indirectly. The Board has set a threshold defining categories of employees as executive consequent to which they are subject to additional regulatory requirements for trading and disclosing their transactions in Company shares.

No transaction in the Company shares has been reported by the Directors, CEO, CFO, Company Secretary and their spouse and minor children during the year, except disclosed in the pattern of shareholding.

Holding Company

Shirazi Investments (Pvt) Limited, incorporated in Pakistan, is the holding company of Atlas Insurance Limited with 75.33% holding.

Directors' Remuneration

The remuneration of the Directors is approved by the Board. However, no director takes part in deciding his / her own remuneration. The Company does not pay remuneration to the non-executive directors except for the fee for attending the meetings. The company's remuneration policy is structured in line with prevailing industry trends and business practices. Details of remuneration paid to the directors during the year 2025 are given as under are disclosed in note 36 of the financial statements:

(Rupees in thousand)

S. No.	Directors	Meeting Fee	Managerial Remuneration	Total
1	Mr. Iftikhar H. Shirazi	-	-	-
2	Mr. Ali H. Shirazi	-	-	-
3	Mr. Frahim Ali Khan	-	-	-
4	Mr. Hasan Reza ur Rahim	1,350	-	1,350
5	Mr. M. Habib-ur-Rahman	1,350	-	1,350
6	Mrs. Roohi Raees Khan	1,050	-	1,050
7	Mr. Babar Mahmood Mirza	-	84,765	84,765

Internal Audit

The Company has an independent Internal Audit function. The Audit Committee reviews the appropriateness and authority of this function on a quarterly basis. The Head of Internal Audit functionally reports to the Audit Committee. The Audit Committee approves the audit plan, based on an annual and quarterly assessment of the operating areas. The Internal Audit function carries out reviews on the financial, operational and compliance controls, and reports the findings to the Audit Committee.

Health, Safety and Environment

We strongly believe in maintaining the highest standards in health, safety and environment to ensure the well-being of the people who work with us as well as of the communities where we operate.

Statement of Value Addition and its Distribution

The Statement of value addition and its distribution is annexed to this report.

External Auditors

The present Auditors, BDO Ebrahim & Co, Chartered Accountants have been given satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP). The external auditors have confirmed that their firm is in compliance with the International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by the ICAP. The external auditors have not been appointed to provide other services except in accordance with the relevant Regulations and they have confirmed that they have observed IFAC guidelines in this respect.

The external auditors attended such Audit Committee meetings in which audited / reviewed financial statements of the Company were considered by the Audit Committee. The auditors have confirmed that they have no issue of independence, and they have already reported all their concerns in their Letters to the Board. The Audit Committee recommended appointment and remuneration of the external auditors for the financial year ending December 31, 2026, for consideration of the Board.

Employees' Retirement Benefits

The Company operates a defined contribution plan for its permanent employees through either one of the following ways:

- a recognized provident fund; or
- voluntary pension schemes managed by Atlas Asset Management Limited, an associated entity, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund.
- The newly appointed employees are offered voluntary pension schemes only. However, employees who are members of the provident fund trust have the option to opt for either of the two above-mentioned contribution plans.

The Company also operates a non-contributory gratuity fund scheme for its management employees.

The value of investment, based on their respective accounts, is as follows:

Provident Fund

Rs. 85.476 million (as of December 31, 2025)

Gratuity Fund

Management Staff

Rs. 152.770 million (as of June 30, 2025)

Non-Management Staff

Rs. 38.640 million (as of December 31, 2025)

Compliance with the Code of Corporate Governance

The Directors confirm the compliance of the requirements of the Code of Corporate Governance relevant to the year ended December 31, 2025. Separate statements to these effects are annexed.

Liquidity Management

During the year Rs. 41.3 million (2024: Rs. 841.8 million) were generated from operating and investing activities which were utilized in investment activities and payment of dividends to the shareholders. The Company prudently manages liquidity to ensure its ability to meet its contractual obligations more efficiently.

Statement of Directors' Responsibilities

The Board regularly reviews the Company's strategic direction. Annual plans and performance targets for business are set by the Chief Executive and are reviewed by the Board considering the Company's overall objectives. The Board is committed to maintaining high standards of good corporate governance. The Company has followed the provisions set out by the SECP and the Listing Rules of the Pakistan Stock Exchange.

Financial Statements

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

Books of Account

The Company has maintained proper books of account.

Accounting Policies

Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

International Accounting Standards

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

Internal Control System

The system of internal control is sound in design and has been effectively implemented and monitored.

Going Concern

There is no doubt about the company's ability to continue as a going concern.

Operating and Financial Data

Operating and financial data and key ratios of the Company for the last six years are annexed.

Best Practices of Corporate Governance

There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Taxes and Levies

Information about taxes and levies is given in notes to the financial statements.

Related Party Transactions

Related party transactions are placed before the Audit Committee. These transactions are reviewed / recommended by the Audit Committee and approved by the Board of Directors on a quarterly basis. Details of related party transactions are disclosed in note 38 of the financial statements and note 32 of the Window Takaful Operation financial statements.

Pattern of Shareholding

The pattern of shareholding of the Company is annexed.

Code of Conduct

The Company has prepared a 'Code of Conduct', which has been approved by the Board of Directors. This Code has been disseminated throughout the Company.

The basic philosophy underlying this Code is to conduct business operations with honesty, integrity and openness, and with respect for human rights and the interests of the employees. The Company respects the legitimate interest of all those with whom it has a relationship - government, employees, clients, shareholders and society. The Code has been placed on the Company's website.

Compliance with this Code is an essential element of business success. The Board is responsible for ensuring that the Code is communicated to and understood and observed by all the employees. Day-to-day responsibility is delegated to the senior management for implementing this Code.

Compliance with Secretarial Practices

The Company Secretary furnished a Secretarial Compliance Certificate, in the prescribed form, as required under the Code of Corporate Governance for Insurers, 2016, as part of the annual return certifying that the secretarial and corporate requirements of the Companies Act, 2017 and Listing Regulations have been complied with.

Material Changes

There have been no material changes since December 31, 2025, to the date of the report and the Company has not entered any commitment during this period, which would have any adverse impact on the financial position of the Company.

Board Performance Evaluation

The Board has developed a mechanism to evaluate its own performance by adopting a self-evaluation methodology through a questionnaire, which covers core areas of the functioning of the Board. The primary purpose of this evaluation is to enable the Board to assess its own quality of governance, which enables the Board members to play a more effective role in the progress of the Company.

Strategic Objectives on ESG

The Board is actively involved and strongly backs the Company's ESG initiatives. The Company's dedication lies in integrating ESG considerations seamlessly into its strategy. This supports long-term growth, mitigates risks, and cultivates a foundation of trust with stakeholders. The Company's strategic goals encompass eco-friendliness, societal obligations and proficient governance. The Company is resolute in safeguarding resources, promoting usage of green energy and handling waste materials in an environmentally friendly manner. The Company's focal points include promoting diversity, ensuring employee welfare and actively participating in the community. The Company's decision-making is steered by ethical behavior, openness, transparency and prudent risk management.

Gender Pay Gap

Atlas Insurance Limited is an equal opportunity employer and strongly believes that the Company's ongoing progress and success is largely driven by its associates, without any discrimination based on gender, caste, creed, or origin. The Company is committed to providing fair and equitable compensation to all the employees within the same cadre. The Company fosters a positive and collaborative environment for the employees and there is no gender-based pay gap within the Company.

Safeguarding of Records

The Company emphasizes storage and safe custody of its financial records. The Company is using the oracle-based GIS system for recording its financial information. Access to electronic documentation has been ensured through implementation of comprehensive password protected authorization matrix.

Market Share Information

As per statistics compiled by the Insurance Association of Pakistan (IAP) for non-life insurance companies for the year ended December 31, 2024, the market share of the Company was 3.65%. Status for the year 2024 will be known once statistics of all the companies are compiled by the IAP.

Directors Training Programs

Four directors have successfully completed the Directors Training Program (DTP). Three directors possess the minimum qualification and experience criteria for the exemption of DTP as stipulated in the Code of Corporate Governance. In addition to this

Whistle Blowing Policy

Statement on Whistle Blowing Policy is annexed to this report.

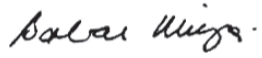
Communication

Communication with the shareholders is given a high priority. Annual reports are circulated to the members and half yearly and quarterly reports are placed on Company's website within the time specified by the Companies Act, 2017. The Company also has a web site, "www.ail.atlas.pk", which contains up-to-date information on the Company's activities and financial reports.

Outstanding Statutory Payments

All outstanding payments are of a normal and routine nature.

For and on behalf of the Board of Directors



Babar Mahmood Mirza

Chief Executive

Lahore: February 26, 2026



Ali H. Shirazi

Director

ڈائریکٹرز ٹینگ پروگرام

چار ڈائریکٹرز نے ڈائریکٹرز ٹینگ پروگرام (DTP) مکمل کر لیا ہے جبکہ تین ڈائریکٹرز کو کوڈ آف کارپوریٹ گورننس میں مقرر کردہ تعلیم اور تجربے کے معیار کی بنیاد پر DTP سے استثنیٰ حاصل ہے۔ مزید برآں، تین ایگزیکٹوز نے بھی DTP مکمل کر لیا ہے۔

وسل باؤننگ پالیسی

وسل باؤننگ پالیسی سے متعلق بیان اس رپورٹ کے ساتھ منسلک ہے۔


مراسلہ

حصص داران کے ساتھ رابطہ اور مراسلہ کو کمپنی میں اوٹ لین تریج دی جاتی ہے۔ سالانہ رپورٹس اراکین کو بذریعہ ڈاک ارسال کی جاتی ہیں اور کمپنیز ایکٹ 2017 کے ضابطہ کے متعینہ عرصہ کے دوران ششماہی اور سہ ماہی رپورٹس کمپنی کی ویب سائٹ پر اپ لوڈ کر دی جاتی ہیں۔ کمپنی کی ویب سائٹ ”www.ail.atlas.pk“ ہے جس میں کمپنی کے کاروباری امور کی تازہ ترین معلومات بشمول مالیاتی رپورٹس دستیاب ہیں۔

واجب الادا قانونی ادائیگیاں

تمام واجب الادا رقوم معمول کے مطابق ہیں۔

منجانب بورڈ آف ڈائریکٹرز


علی شیرازی
ڈائریکٹر



بابر محمود ڈا

چیف ایگزیکٹو آفیسر

لاہور: 26 فروری، 2026

پیئرن آف شیئر ہولڈنگ

پیئرن آف شیئر ہولڈنگ منسلک ہے۔

ضابطہ اخلاق

کمپنی نے بورڈ آف ڈائریکٹرز سے منظور شدہ ایک ضابطہ اخلاق مرتب کیا ہے۔ جس کی آگاہی کمپنی بھر میں دی گئی ہے۔

اس ضابطہ کا بنیادی مقصد کاروباری معاملات کو دیانت داری اور شفافیت سے چلانا ہے، تاکہ ملازمین کے مفادات اور انسانی حقوق کا تحفظ کیا جاسکے۔ کمپنی ان لوگوں کے تمام جائز مفادات کا احترام کرتی ہے جن کا تعلق حکومت، ملازمین، کلائنٹس، حصص داران اور معاشرے سے ہے۔ کمپنی کی ویب سائٹ پر یہ ضابطہ اخلاق موجود ہے۔

اس ضابطہ کی تعمیل کاروباری سمجھ بوجھ کا ایک لازمی عنصر ہے۔ بورڈ اس بات کو یقینی بنانے کا ذمہ دار ہے کہ اس ضابطہ کو مناسب طریقے سے ملازمین کو سمجھا جائے اور اس پر عمل درآمد کروایا جائے۔ اس ضابطہ کے روزمرہ نفاذ کی ذمہ داری اعلیٰ انتظامیہ کو سونپی گئی ہے۔

سیکرٹریز عمل داری کی تعمیل

کمپنی سیکریٹری نے انشوررز کے لیے کوڈ آف کارپوریٹ گورننس 2016 کے تحت مجوزہ شکل میں سیکریٹریل کمپلائنس ٹھوسٹیٹ جاری کیا ہے جس میں اس بات کی تصدیق کی گئی ہے کہ سیکریٹری ایکٹ 2017 اور سٹاک ریگولیشنز کی سیکریٹریل اور کارپوریٹ تقاضوں کے تحت تعمیل کی گئی ہے۔

اہم تبدیلیاں

31 دسمبر 2025 لے کر اب تک کوئی اہم تبدیلی نہیں ہوئی ہے اور اس عرصے کے دوران کمپنی نے کوئی ایسا معاہدہ نہیں کیا ہے جس سے کمپنی کی مالی حالت میں کوئی منفی اثر واقع ہوا ہو۔

بورڈ کی کارکردگی کی تشخیص

بورڈ نے بذریعہ سولنامہ خود تشخیصی کے اصولوں کو اپناتے ہوئے اپنی کارکردگی کی جانچ کا طریقہ کار مرتب کیا ہے، جس میں بورڈ کے عمل درآمد کے بنیادی شعبوں کا احاطہ کیا گیا ہے۔ اس تشخیص کا بنیادی مقصد بورڈ کا اپنی گورننس کے معیار کا جائزہ لینا ہے جس کے ذریعے بورڈ اراکین کمپنی کی ترقی میں زیادہ موثر کردار ادا کر سکتے ہیں۔

ESG پر حکمت عملی کے مقاصد

بورڈ فعال طور پر کمپنی کے ESG اقدامات کی بھرپور حمایت کرتا ہے۔ کمپنی کی گن ESG کے تحفظات کو بغیر کسی رکاوٹ کے اپنی حکمت عملی میں شامل کرنے میں ہے۔ یہ طویل مدتی ترقی کی حمایت کرتا ہے، خطرات کو کم کرتا ہے، اور اسٹیک ہولڈرز کے ساتھ اعتماد کی بنیاد کو فروغ دیتا ہے۔ کمپنی کی حکمت عملی کے اہداف ماحول دوستی، سماجی ذمہ داریوں اور باصلاحیت انتظام کاری پر محیط ہیں۔ ہم کاربن فوٹ پرنٹس کو کم کرنے، وسائل کی حفاظت، سبز توانائی کے استعمال کو فروغ دینے اور فضلہ مواد کو ماحول دوست طریقے سے استعمال کرنے کے لئے پرعزم ہیں۔ کمپنی کے بنیادی مقاصد میں تنوع کو فروغ دینا، ملازمین کی فلاح و بہبود کو یقینی بنانا اور کمیونٹی میں فعال طور پر حصہ لینا شامل ہے۔ کمپنی کی فیصلہ سازی اخلاقی رویے، شفافیت اور خطرات کو خطرے کے انتظام سے عمل میں آتی ہے۔

معاوضے میں متقی فرق

اٹلس انشورنس لمیٹڈ ایک مساوی مواقع فراہم کرنے والا ادارہ ہے اور پختہ یقین رکھتا ہے کہ کمپنی کی مسلسل ترقی اور کامیابی اس کے تمام ساتھیوں کی محنت کا نتیجہ ہے، جس میں صنف، ذات، نسل یا قومیت کی کوئی تفریق نہیں ہے۔ کمپنی اپنے تمام ملازمین کو یکساں سطح پر منصفانہ اور مساوی معاوضہ فراہم کرنے کے لیے پرعزم ہے۔ کمپنی اپنے ملازمین کے لیے ایک مثبت اور تعاون پسندی ماحول کو فروغ دیتی ہے اور کمپنی میں معاوضے کا کسی بھی قسم کا صنفی فرق موجود نہیں ہے۔

ریکارڈز کی حفاظت

کمپنی اپنے ریکارڈز کی باحفاظت تحویل پر یقین رکھتی ہے۔ کمپنی اپنی مالی معلومات Oracle پروگرام کے ذریعے GIS نظام پر مرتب کرتی ہے اور الیکٹرانک دستاویز تک رسائی کے لئے جامع پاس ورڈ سے محفوظ کردہ میٹریکس استعمال کرتی ہے۔

مارکیٹ شیئر کی معلومات

31 دسمبر 2024 کو ختم ہونے والے سال کے لیے انشورنس ایسوسی ایشن آف پاکستان (IAP) کے اعداد و شمار کے مطابق نان لائف سیکٹرز کے مجموعی پیمائش میں کمپنی کا حصہ 3.65 فیصد تھا۔ سال 2025 کی صورت حال اس وقت واضح ہوگی جب IAP کی جانب سے تمام کمپنیوں کے اعداد و شمار جاری کیے جائیں گے۔

سرمایہ کاری کی مالیت، اُن کے متعلقہ کھاتہ داری کے مطابق مندرجہ ذیل ہیں:

پروڈیٹ فنڈ
85.476 ملین روپے (31 دسمبر 2025 تک)

برائے پیمنٹ اسٹاف 152.770 ملین روپے (30 جون 2025 تک)

برائے نان پیمنٹ اسٹاف 38.640 ملین روپے (31 دسمبر 2025 تک)

کوڈ آف کارپوریٹ گورننس کی تعمیل

ڈائریکٹرز نے 31 دسمبر 2025 کو اختتام شدہ سال سے متعلقہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کی تعمیل کی تصدیق کی ہے۔ ان بیانات کو علیحدہ طور پر منسلک کیا گیا ہے۔

لیکچر ڈی اینٹظامات

سال کے دوران آپریٹنگز اور سرمایہ کاری کی سرگرمیوں سے 949.251 ملین روپے (سال 2024 میں 841.797 ملین روپے) حاصل کئے گئے جو کہ حصص داران کو ڈیویڈنڈ دینے کے لئے استعمال کئے گئے۔ کمپنی لیکچر ڈی اینٹظامات سے اپنی معاہدے کی ذمہ داریوں کو نبھانے کے لئے استعمال کرتی ہے۔

ڈائریکٹرز کی ذمہ داریوں کی تفصیلات

بورڈ باقاعدگی سے کمپنی کی ترویجی سمت کا جائزہ لیتا ہے۔ چیف ایگزیکٹو سالا منسوبے اور کاروبار کی کارکردگی کے اہداف کو مرتب کرتا ہے اور کمپنی کے مجموعی مقاصد کی روشنی میں بورڈ اس کا جائزہ لیتا ہے۔ بورڈ کمپنی کی اعلیٰ کارپوریٹ گورننس کے معیار کو برقرار رکھنے کے لئے پرعزم ہے۔ کمپنی، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹاک ایکسچینج کے مرتب کردہ قوانین کے تحت کار بند رہتی ہے۔

مالیاتی گوشوارے

کمپنی کی انتظامیہ کی جانب سے مرتب کردہ مالی تفصیلات، کام کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو درست انداز میں پیش کیا جاتا ہے۔

اکاؤنٹس کی کتب

کمپنی نے اکاؤنٹس کی درست کتب مرتب کی ہیں۔

حساب داری پالیسیاں

مالی تفصیلات اور ذمہ داری تخمینوں کو مرتب کرنے کے لئے، مناسب حساب داری پالیسیوں کا تسلسل سے اطلاق کیا جاتا ہے جو کہ مناسب اور محتاط فیصلوں پر مشتمل ہیں۔

بین الاقوامی حساب داری معیار

مالی تفصیلات کو مرتب کرنے کے لئے بین الاقوامی حساب داری معیار، جو کہ پاکستان میں لاگو ہیں، ان کو مد نظر رکھا جاتا ہے۔

اندرونی کنٹرول کا نظام

اندرونی کنٹرول کا نظام عمدہ ہے اور اس کو موثر طریقے سے لاگو کیا جاتا ہے اور نگرانی کی جاتی ہے۔

جاری کاروبار کی خدشات

کاروبار جاری رکھنے کے لئے کمپنی کی صلاحیتوں میں کوئی شک نہیں۔

آپریٹنگ اور مالی اعداد و شمار

کمپنی کے گزشتہ چھ سالوں کے کلیدی تناسب، آپریٹنگ اور مالی اعداد و شمار اس رپورٹ کے ساتھ منسلک ہیں۔

کارپوریٹ گورننس پر اعلیٰ عمل درآمد

کارپوریٹ گورننس پر اعلیٰ عمل درآمد میں کسی قسم کا شک نہیں ہے، جیسا کہ مرتب کردہ ضابطوں میں واضح کیا گیا ہے۔

ٹیکس اور محصولات

مالی گوشواروں کے نوٹس میں ٹیکس اور محصولات کی معلومات درج ہیں۔

متعلقہ پارٹیز سے لین دین

تمام متعلقہ پارٹیز سے لین دین کی تفصیلات آڈٹ کمپنی کے اجلاسوں میں جائزے اور سفارشات کے لیے پیش کی جاتی ہیں اور سہ ماہی بنیادوں پر بورڈ آف ڈائریکٹرز کی طرف سے ان کی منظوری دی جاتی ہے۔ متعلقہ پارٹیز سے لین دین کی تفصیلات مالی تفصیلات کے نوٹ نمبر 38 اور نوٹ ونگل آپریٹنگز مالی تفصیلات کے نوٹ نمبر 32 پر درج ہیں۔

ہولڈنگ کمپنی

شیرازی انویسٹمنٹ پرائیویٹ لمیٹڈ 75.33% شیئرز کے ساتھ ٹلس انشورنس لمیٹڈ کی ہولڈنگ کمپنی ہے۔

ڈائریکٹرز کا مشاہرہ

ڈائریکٹرز کا مشاہرہ بورڈ کی جانب سے منظور کیا جاتا ہے تاہم، کوئی ڈائریکٹر اپنا مشاہرہ طے کرنے میں حصہ نہیں لیتا ہے۔ کمپنی نان ایگزیکٹو ڈائریکٹرز کو اجلاس میں شرکت کی فیس کے علاوہ کسی نان ایگزیکٹو ڈائریکٹر کو معاوضے کی ادائیگی نہیں کرتی۔ کمپنی کے مشاہرے کی پالیسی موجودہ صنعتی رجحانات اور کاروباری امور کی انجام دہی پر منحصر ہے۔ ڈائریکٹرز کو معاوضے کی ادائیگی کی تفصیلات مالیاتی گوشواروں کے نوٹ 36 میں ظاہر کی گئی ہیں۔ سال 2025 کے دوران کمپنی کے ڈائریکٹرز کو ادا کئے گئے معاوضے کی تفصیلات مندرجہ ذیل ہیں:

(روپے ہزاروں میں)

سیریل نمبر	ڈائریکٹرز	اجلاس میں شرکت کی فیس	انتظامی معاوضہ	ٹوٹل
1	جناب افتخار ایچ شیرازی	-	-	-
2	جناب علی ایچ شیرازی	-	-	-
3	جناب فراہیم علی خان	-	-	-
4	جناب حسن رضا الرحیم	1,350	-	1,350
5	جناب ایم حبیب الرحمن	1,350	-	1,350
6	محترمہ روجی رئیس خان	1,050	-	1,050
7	جناب بابر محمود مرزا	-	84,765	84,765

انٹرنل آڈٹ

کمپنی میں خود مختار انٹرنل آڈٹ کا باضابطہ طریقہ کار موجود ہے۔ بورڈ کی آڈٹ کمیٹی سہ ماہی بنیادوں پر اس کی موزونیت، اور طریقہ کار کے اختیار کا جائزہ لیتی ہے۔ بورڈ آڈٹ کمیٹی سالانہ اور سہ ماہی تفتیش پر مبنی آڈٹ پلان کی منظوری دیتی ہے۔ انٹرنل آڈٹ فنکشن باضابطہ طریقہ کار کے مطابق مالیاتی، آپریشنل اور کنٹرولنگ کے عمل کا جائزہ لیتا ہے اور بورڈ آڈٹ کمیٹی کو رپورٹ کرتا ہے۔

صحت، تحفظ اور ماحول

ہم صحت، تحفظ اور ماحول کے اعلیٰ معیار کو برقرار رکھنے پر پختہ یقین رکھتے ہیں تاکہ اپنے ساتھ کام کرنے والے لوگوں اور جہاں ہم کام کو انجام دیتے ہیں ان کی فلاح و بہبود کو یقینی بنا سکیں۔

دولت و ایڈیشن اور اس کی ڈسٹری بیوٹن کا اسٹیٹمنٹ

دولت و ایڈیشن کا اسٹیٹمنٹ بمعہ ڈسٹری بیوٹن رپورٹ کے ساتھ منسلک ہے۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز، بی ڈی اے ابراہیم ایڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو، انشٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول جائزہ پروگرام کے تحت تلی بخش درجہ بندی دی گئی ہے۔ بیرونی آڈیٹرز نے واضح کیا ہے کہ ان کا ادارہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کی ہدایات اور ICAP کے موجودہ اقدار کے مطابق کام کر رہا ہے۔ بیرونی آڈیٹرز کو متعلقہ ریگولیشنز میں موجود خدمات کے علاوہ کوئی اور خدمات فراہم کرنے کے لئے مقرر نہیں کیا گیا ہے اور اس ضمن میں انہوں نے تصدیق کی کہ ان کا ادارہ IFAC کی ہدایات پر عمل درآمد کر رہا ہے۔

بیرونی آڈیٹرز نے ان آڈٹ کمیٹی کے اجلاسوں میں شرکت کی جن میں آڈٹ کمیٹی کی جانب سے آڈٹ شدہ/نظر ثانی شدہ مالیاتی گوشواروں کو زیر غور لایا گیا۔ آڈیٹرز نے تصدیق کی ہے کہ انہیں آزادانہ کام کا کوئی مسئلہ نہیں ہے اور انہوں نے اپنے تمام تر خدمات کو بورڈ کو لکھے گئے خطوط میں واضح کر دیا ہے۔ آڈٹ کمیٹی نے بورڈ کو، 31 دسمبر 2026 کو ختم ہونے والے مالی سال کے لئے بیرونی آڈیٹرز کی تقرری اور معاوضے کی سفارش کی۔

ملازمین کی رہنمائی کے فوائد

کمپنی اپنے مستقل ملازمین کے لئے ایک منظم تقسیمی منصوبہ پر مندرجہ ذیل میں سے کسی ایک طریقے سے عمل کرتی ہے:

- ایک تسلیم شدہ پراویڈنٹ فنڈ؛ یا
 - رضا کارانہ پیش سنسٹم تو امین 2005ء کے تحت رضا کارانہ پیش سنسٹم، ٹلس بینشن فنڈ اور ٹلس بینشن اسلامک فنڈ جو کہ ٹلس ایسٹ بینٹمنٹ لمیٹڈ (متعلقہ پارٹی) کے زیر انتظام ہیں۔
 - منتخب ملازمین کو صرف رضا کارانہ پیش سنسٹم پیش کی جاتی ہے۔ تاہم جو ملازمین پراویڈنٹ فنڈ ٹرسٹ کا حصہ ہیں انہیں مندرجہ بالا دو تقسیمی منصوبوں میں سے کسی ایک کو منتخب کرنے کا اختیار ہے۔
- کمپنی اپنے انتظامی ملازمین کے لئے غیر تقسیمی گریجویٹ فنڈ اسکیم بھی آپریٹ کرتی ہے۔

بورڈ نے مندرجہ ذیل ذیلی کمیٹیاں تشکیل دی ہیں:

آڈٹ کمیٹی:

نام	کمیٹری
جناب حسن رضا الرحیم	چیئر مین
جناب علی ایچ شیرازی	ممبر
جناب فراہیم علی خان	ممبر
جناب محمد افضل	سیکرٹری

اخلاقی، ہیومن ریسورس اور مشاہرے کی کمیٹی:

نام	کمیٹری
محترمہ مروی رئیس خان	چیئر پرسن
جناب علی ایچ شیرازی	ممبر
جناب فراہیم علی خان	ممبر
جناب بابر محمود مرزا	ممبر
محترمہ قدسیہ ناہید	سیکرٹری

سرمایہ کاری کمیٹی:

نام	کمیٹری
جناب علی ایچ شیرازی	چیئر مین
جناب فراہیم علی خان	ممبر
جناب ایم حبیب الرحمان	ممبر
جناب بابر محمود مرزا	ممبر
جناب محمد عاصم گل	ممبر
جناب محمد افضل	سیکرٹری

سال کے دوران بورڈ کے پانچ (5) اور آڈٹ کمیٹی کے چار (4) اجلاس منعقد کیے گئے۔ ہر ڈائریکٹر/رکن کی حاضری مندرجہ ذیل ہے:

سیریل نمبر	ڈائریکٹرز	لنڈن لیگنیز میں ڈائریکٹرشپ بشمول اٹلس انشورنس	اجلاس میں حاضری	
			بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی
1	جناب افتخار ایچ شیرازی	1	5/5	N/A
2	جناب علی ایچ شیرازی	5	5/5	4/4
3	جناب فراہیم علی خان	1	4/5	3/4
4	جناب حسن رضا الرحیم	3	5/5	4/4
5	جناب ایم حبیب الرحمن	1	5/5	N/A
6	محترمہ مروی رئیس خان	2	5/5	N/A
7	جناب بابر محمود مرزا	1	5/5	N/A

بورڈ آف ڈائریکٹرز کے اجلاس سے پہلے کمیٹی کی جانب سے ایک بندہ تصدیق کیا جاتا ہے، جس کے دوران ڈائریکٹرز، سی ای او، کمیٹی کے ایگزیکٹوز اور ان کی شریک حیات کے لیے کمیٹی کے حصص کی لین دین بلواسطہ یا بلاواسطہ طور پر ممنوع قرار دے دی جاتی ہے۔ بورڈ نے ایگزیکٹوز کی حیثیت سے ملازمین کی کمیٹری کی وضاحت کرتے ہوئے ایک حد مقرر کی ہوئی ہے، جس کی بناء پر ان پر کمیٹی کے حصص کی لین دین کو افشاء کرنے کی اضافی انضباطی ضروریات کے مطابق عمل کرنا ضروری ہے۔

سال کے دوران ڈائریکٹرز، CEO، CFO، کمیٹی سیکرٹری اور ان کے شریک حیات اور نابالغ بچوں کی جانب سے کمیٹی کے حصص کا کوئی لین دین سامنے نہیں آیا، سوائے اس لین دین کے جو کہ شیئر ہولڈنگ کے پیٹرن میں ظاہر کیا گیا ہے۔

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2025 کو ختم شدہ سال کے لئے پڑتال شدہ مالیاتی گوشوارے، پڑتال کنندگان کی رپورٹ سمیت پیش کر رہے ہیں۔ ڈائریکٹرز رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 اور کوڈ آف کارپوریٹ گورننس برائے انشوررز 2016 کی شق (xxvi) کے مطابق تیار کی گئی ہے جو کہ 20 اپریل 2026 کو منعقد ہونے والے کمپنی کے 91 ویں سالانہ اجلاس عام میں ارکان کو پیش کی جائے گی۔

مالی نتائج

31 دسمبر 2025 کو ختم شدہ سال میں کمپنی کی مجموعی کارکردگی درج ذیل ہے:

2024	2025	
(روپے ہزاروں میں)		
6,545,434	7,056,146	گروس پریمیم
767,210	1,258,355	وینڈو ٹیکس اور دیگر اخراجات سے مجموعی زریعہ تعاون
3,111,206	3,393,428	قبل از ٹیکس منافع
(1,222,444)	(1,316,641)	اکٹم ٹیکس کے اخراجات
1,888,762	2,078,787	سال کا بعد از ٹیکس منافع
24,232	27,961	غیر تصرف شدہ منافع آگے لایا گیا
1,912,994	2,104,748	تصرفات کے لئے دستیاب منافع
		*تصرفات:
(615,000)	(806,000)	عمومی ذخائر کو منتقل کردہ
(373,539)	(373,539)	عمومی نقد منافع 25% (2024: 25%)
(896,494)	(896,494)	مجوزہ حتیٰ نقد ڈیویڈنڈ 60% (2024: 60%)
(1,885,033)	(2,076,033)	
27,961	28,715	غیر تصرف شدہ منافع آگے لایا گیا

* بورڈ آف ڈائریکٹرز نے 31 دسمبر 2025 کو ختم شدہ سال کے لئے فی شیئر 6.0 روپے حتیٰ کیش ڈیویڈنڈ یعنی 60 فیصد تجویز کیا ہے۔ یہ سال 2025 کے دوران تقسیم شدہ عبوری ڈیویڈنڈ 25 فیصد کے علاوہ ہے۔ مالی بیانات کمپنیز ایکٹ 2017 کی تعمیل میں مجوزہ حتیٰ ادا ٹیکسوں کے اختصا ص کی عکاسی نہیں کرتے ہیں۔

نی صص آمدنی

سال 2025 میں بعد از ٹیکس ادا ٹیکس نی صص آمدنی سال 2024 کے 12.64 روپے کے مقابلے میں 13.91 روپے رہی۔

چیز میں کی جانب سے جائزہ

31 دسمبر 2025 کو اختتام شدہ سال اور مستقبل کے امکانات کے لئے، کمپنی کی کارکردگی پر سالانہ رپورٹ میں چیز میں کا تجزیہ شامل کیا گیا ہے۔ ڈائریکٹرز تجزیے کے مندرجات سے متفق ہیں۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز 17 افراد پر مشتمل ہیں، جن کے پاس کمپنی کو گمراہی اور حکمت عملی کی رہنمائی دینے کا علم، مہارت اور تجربہ ہے۔ چیف ایگزیکٹو آفیسر کے علاوہ تمام ڈائریکٹرز نان ایگزیکٹو ڈائریکٹرز ہیں بشمول دو (2) ڈائریکٹرز کے جو کہ خود مختار ڈائریکٹرز بھی ہیں اور ان میں سے ایک خاتون ڈائریکٹر ہیں۔ بورڈ کا کوئی بھی ڈائریکٹر 7 سے زیادہ لسنڈ کمپنیوں بشمول اس کمپنی کا ڈائریکٹر نہیں ہے۔ تمام ڈائریکٹرز متعدد شعبہ جات/پیشوں کی نمائندگی کرتے ہیں اور متعدد کاروباری معمولات سے نمٹنے کے لئے تمام ضروری مہارتیں اور فہم رکھتے ہیں اور انتظامی کارکردگی کے جائزے کی پھر پور صلاحیت کے حامل ہیں۔

**DISTRIBUTION OF SHAREHOLDING IN CENTRAL
DEPOSITORY COMPANY OF PAKISTAN LTD.
As at December 31, 2025**

**PATTERN OF SHAREHOLDING
As at December 31, 2025**

Number of shareholders	Shareholding		Shares held
	From	To	
277	1	100	6,563
140	101	500	37,703
103	501	1,000	84,264
232	1,001	5,000	592,726
95	5,001	10,000	713,836
49	10,001	15,000	602,360
29	15,001	20,000	519,278
16	20,001	25,000	365,650
19	25,001	30,000	520,772
9	30,001	35,000	289,796
17	35,001	40,000	651,093
3	40,001	45,000	127,334
7	45,001	50,000	346,093
6	50,001	55,000	317,289
4	55,001	60,000	232,168
2	60,001	65,000	124,551
5	65,001	70,000	341,475
2	70,001	75,000	140,800
1	75,001	80,000	77,283
2	80,001	85,000	161,294
5	85,001	90,000	434,405
1	90,001	95,000	93,480
2	95,001	100,000	200,000
3	100,001	105,000	308,123
1	105,001	110,000	109,805
2	115,001	120,000	238,739
3	120,001	125,000	367,042
1	125,001	130,000	128,019
2	130,001	135,000	265,127
1	135,001	140,000	139,941
2	140,001	145,000	285,337
1	145,001	150,000	146,892
4	165,001	170,000	670,819
1	170,001	175,001	171,200
1	175,001	180,000	180,000
2	185,001	190,000	376,920
1	195,001	200,000	197,339
2	205,001	210,000	414,241
1	240,001	245,000	242,124
1	245,001	250,000	248,160
1	300,001	305,000	302,720
1	335,001	340,000	337,850
1	340,001	345,000	340,736
1	360,001	365,000	362,032
1	555,001	560,000	557,931
1	610,001	615,000	612,409
1	670,001	675,000	670,815
1	835,001	840,000	839,062
1	995,001	1,000,000	1,000,000
1	1,065,001	1,070,000	1,067,704
1	1,140,001	1,145,000	1,143,762
1	2,220,001	2,225,000	2,224,131
1	2,890,001	2,895,000	2,892,745
1	3,315,001	3,320,000	3,319,000
1	4,105,001	4,110,000	4,109,777
1	112,550,001	112,555,000	112,553,825

Number of shareholders	Shareholding		Shares held
	From	To	
316	1	100	7,260
183	101	500	50,196
121	501	1,000	97,718
267	1,001	5,000	681,021
130	5,001	10,000	938,896
72	10,001	15,000	889,673
38	15,001	20,000	678,196
23	20,001	25,000	531,533
27	25,001	30,000	752,108
19	30,001	35,000	611,079
19	35,001	40,000	728,050
5	40,001	45,000	211,668
7	45,001	50,000	346,093
7	50,001	55,000	371,458
10	55,001	60,000	588,808
2	60,001	65,000	124,551
10	65,001	70,000	672,865
3	70,001	75,000	211,664
2	75,001	80,000	156,919
2	80,001	85,000	161,294
6	85,001	90,000	519,589
2	90,001	95,000	185,540
3	95,001	100,000	296,784
4	100,001	105,000	408,449
1	105,001	110,000	109,805
4	115,001	120,000	477,323
3	120,001	125,000	367,042
1	125,001	130,000	128,019
3	130,001	135,000	397,296
1	135,001	140,000	139,941
2	140,001	145,000	285,337
2	145,001	150,000	296,063
1	160,001	165,000	164,568
4	165,001	170,000	670,819
2	170,001	175,000	345,238
1	175,001	180,000	180,000
2	185,001	190,000	376,920
2	195,001	200,000	197,339
1	205,001	210,000	414,241
2	240,001	245,000	242,124
1	245,001	250,000	248,160
2	300,001	305,000	302,720
1	335,001	340,000	337,850
2	340,001	345,000	340,736
1	360,001	365,000	362,032
1	315,001	320,000	318,739
1	335,001	340,000	337,850
1	340,001	345,000	340,736
1	360,001	365,000	362,032
1	375,001	380,000	376,518
1	555,001	560,000	557,931
1	610,001	615,000	612,409
1	670,001	675,000	670,815
1	835,001	840,000	839,062
1	995,001	1,000,000	1,000,000
1	1,065,001	1,070,000	1,067,704
1	1,140,001	1,145,000	1,143,762
1	2,220,001	2,225,000	2,224,131
1	2,890,001	2,895,000	2,892,745
1	3,315,001	3,320,000	3,319,000
1	4,105,001	4,110,000	4,109,777
1	112,550,001	112,555,000	112,553,825

1,071

143,804,540

1,332

149,415,675

The slabs representing NIL holding have been omitted.

Categories of shareholders	Number of shareholders	Number of shares held	Percentage shares held
Directors, CEO their spouse and minor children	8	69,024	0.05%
Associated Companies, undertakings & related parties	3	116,663,603	78.08%
NIT and IDBP	1	152	0.00%
Banks, DFIs & NBFIs	1	839,062	0.56%
Insurance Companies	1	340,736	0.23%
Public Sector Companies & Corporations	1	2,224,131	1.49%
* Shareholders holding 5% or more voting interest in the Company	1	112,553,825	75.33%
Individuals	1,300	26,178,719	17.52%
Others:			
Joins Stock Companies	15	167,590	0.11%
Others	2	2,932,658	1.96%
TOTAL	1,332	149,415,675	100.00%

* Shareholders having 5% or more voting interest in the Company exist in Associated Companies, therefore, not included in the total.

PATTERN OF SHAREHOLDING AS AT DECEMBER 31, 2025

Information required under the Code of Corporate Governance

Categories of shareholders	Number of shareholders	Shares held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail)			
Shirazi Investments (Pvt) Limited	1	112,553,825	75.33%
Atlas Foundation	1	4,109,777	2.75%
Iftikhar Shirazi Family Trust	1	1	0.00%
NIT and ICP			
IDBP - (ICP Unit)	1	152	0.00%
Director, Chief Executive and their spouse and minor children			
Mr. Iftikhar H. Shirazi	1	1	0.00%
Mr. Ali H. Shirazi	1	1,065	0.00%
Mr. Frahim Ali Khan	1	1	0.00%
Mr. Hasan Reza ur Rahim	1	176	0.00%
Mr. M. Habib-ur-Rahman	1	9,680	0.01%
Mrs. Roohi Raees Khan	1	1	0.00%
Mr. Babar Mahmood Mirza	1	20	0.00%
Mrs. Sabiha Frahim	1	58,080	0.04%
Executives	2	118,388	0.08%
Public Sector Companies & Corporation			
State Life Insurance Corporation of Pakistan	1	2,224,131	1.49%
Banks, Development Finance Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds			
Habib Insurance Company	1	340,736	0.23%
National Bank of Pakistan	1	839,062	0.56%
* Shareholders holding 5% or more voting interest	1	112,553,825	75.33%
Individuals	1,298	26,060,331	17.44%
Others	17	3,100,248	2.07%
	<u>1,332</u>	<u>149,415,675</u>	<u>100.00%</u>

* Shareholders having 5% or more voting interest in the Company exist in Associated Companies, therefore not included in the total.

No transaction was reported in shares of the Company by the directors, CEO, CFO, Company Secretary and their spouses during the year.

STATEMENT OF COMPLIANCE WITH

a) The Code of Corporate Governance for Insurers, 2016

b) Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended December 31, 2025

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

The Company has complied with the requirements of the Code and the Regulations in the following manner:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. Total number of Directors is seven as per the following:

Male	Six
Female	One

At present the Board includes:

Category	Names
Independent Director	Mr. Hasan Reza ur Rahim
Independent Female Director	Mrs. Roohi Raees Khan
Non-Executive Directors	Mr. Iftikhar H. Shirazi
	Mr. Ali H. Shirazi
	Mr. Frahim Ali Khan
	Mr. M. Habib-ur-Rahman
Executive Director	Mr. Babar Mahmood Mirza

The Board comprises seven (7) elected Directors and one-third works out to be 2.33. Presently, two (2) independent Directors have been elected by the shareholders in terms of Section 166 of the Companies Act, 2017, which have requisite competencies, skills, knowledge, and experience to discharge their duties competently as per laws and regulations under which, hereby, fulfill the requirements; not warrant the appointment of a third independent Director. All independent Directors meet the criteria of independence as laid down under the Code.

2. The Directors have confirmed that none of them is serving as Director in more than seven listed companies, including this Company.
3. All the resident Directors of the Company are registered as taxpayers and neither of them has defaulted on payment of any loan to a banking company, a DFI or an NBFIs or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company, which includes Directors and employees along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations. Decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and the key officers, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board meets at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (7) days before the meeting. The minutes of meeting were appropriately recorded and circulated. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
9. 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.

10. Four Directors have successfully completed the Directors' Training Program (DTP). Three Directors possess the minimum qualification and experience criteria for exemption of DTP as stipulated in the Code of Corporate Governance.
11. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the relevant requirements of these Regulations.
12. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
14. The Directors, CEO and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the Code.
16. The Board has formed the following Management Committees:

Underwriting, Reinsurance & Co-insurance Committee:

Names	Category
Mr. Ali H. Shirazi	Chairman
Mr. Babar Mahmood Mirza	Member
Mr. Rashid Amin	Member
Syed Nasir Hussain	Member
Syed Irtiza Kazmi	Secretary

Claims Settlement Committee:

Names	Category
Mr. Frahim Ali H. Khan	Chairman
Mr. Babar Mahmood Mirza	Member
Mr. Muhammad Saeed	Member
Mr. Muhammad Aasim Gul	Member
Mr. Athar Maqsood Paracha	Secretary

Risk Management & Compliance Committee:

Names	Category
Mr. Babar Mahmood Mirza	Chairman
Mr. Rashid Amin	Member
Mr. Muhammad Saeed	Member
Mr. Muhammad Aasim Gul	Member
Mr. Athar Maqsood Paracha	Secretary

Information Technology (IT) Committee:

Names	Category
Mr. Babar Mahmood Mirza	Chairman
Mr. Rashid Amin	Member
Mr. Muhammad Saeed	Member
Mr. Abdul Razzaq Ghauri	Member
Mr. Wasim Ahmed	Secretary

17. As provided in Clause (xl) of the Code, it is at the discretion of the Board of Directors to form a Nomination Committee, however, in case no Nomination Committee is formed, the Board of Directors shall discharge all the responsibilities of the Nomination Committee as laid down under Clause (xlii) of the Code, or such responsibilities may additionally be assigned to the Ethics, Human Resource & Remuneration Committee, and as such the Board of Directors has not formed any Nomination Committee and is discharging all the responsibilities of this Committee.

The Board has formed the following Board Committees:

Ethics, Human Resource & Remuneration Committee:

Names	Category
Mrs. Roohi Raees Khan	Chairperson
Mr. Ali H. Shirazi	Member
Mr. Frahim Ali Khan	Member
Mr. Babar Mahmood Mirza	Member
Ms. Qudsia Naheed	Secretary

Investment Committee:

Names	Category
Mr. Ali H. Shirazi	Chairman
Mr. Frahim Ali Khan	Member
Mr. M. Habib-ur-Rahman	Member
Mr. Babar Mahmood Mirza	Member
Mr. Muhammad Aasim Gul	Member
Mr. Muhammad Afzal	Secretary

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

Names	Category
Mr. Hasan Reza ur Rahim	Chairman
Mr. Ali H. Shirazi	Member
Mr. Frahim Ali Khan	Member
Mr. Muhammad Afzal	Secretary
Mr. Saleem Mahmood Akhtar	Chief Internal Auditor

18. The Board of Directors has assigned the responsibility of overseeing Environmental, Social and Governance (ESG) matters to the Audit Committee. The Terms of Reference (TOR) of the Audit Committee have been duly revised to incorporate ESG-related oversight responsibilities.
20. The meetings of the Committees, except Ethics, Human Resource and Remuneration Committee, were held at least once every quarter prior to the approval of interim and final results of the Company and as required by the Code. Two meetings of Ethics, Human Resource and Remuneration Committee were held during the year. The terms of references of the Committees have been formed, documented, and advised to the Committees for compliance.
21. The Board has set up an effective internal audit function, which is considered suitably qualified and experienced for this purpose and is conversant with the policies and procedures of the Company and the internal auditors are involved in the internal audit function on a regular basis.

22. The CEO, CFO, Compliance Officer, and the Head of Internal Audit possess such qualifications and experience as is required under the Code. The appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claims, reinsurance, risk management and grievance function possess qualification and experience of direct relevance to their respective functions, as required under Section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Names	Designation
Mr. Babar Mahmood Mirza	Chief Executive Officer
Mr. Muhammad Aasim Gul	Chief Financial Officer
Mr. Muhammad Afzal	Company Secretary
Prima Global Consulting	Actuary
Mr. Saleem Mahmood Akhtar	Head of Internal Audit
Syed Irtiza Kazmi	Head of Underwriting and Risk Management
Mr. Muhammad Saeed	Head of Claims and Grievance Function
Syed Nasir Hussain	Head of Reinsurance
Mr. Omer Yousaf	Compliance Officer

23. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of Section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accounts 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.

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

25. The actuary appointed by the Company has confirmed that he or his spouse and minor children do not hold shares of the Company.

26. The Board ensures that the appointed Actuary complies with the requirements set out for him in the Code.

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

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

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

30. 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 PACRA on August 22, 2025, is 'AA+' with stable outlook.

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

32. The Company has not obtained any exemption(s) from the SECP in respect of the requirements of the Code.

33. The frequency of meetings of the committees was as per the following:

- | | |
|---|-----------------------|
| a) Audit Committee | 04 quarterly meetings |
| b) Ethics, HR and Remuneration Committee | 02 meetings |
| c) Risk Management & Compliance Committee | 04 quarterly meetings |

34. The Company has a formal policy and transparent procedure for remuneration of Directors in accordance with the Act and these Regulations.

35. We confirm that all other material principles contained in Regulations No. 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

For and on behalf of the Board of Directors

Babar Mirza

Babar Mahmood Mirza

Chief Executive Officer

Iftikhar H. Shirazi

Iftikhar H. Shirazi

Chairman

Date: February 26, 2026



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Askari Corporate Tower,
75/76 D-1, Main Boulevard
Gulberg-III, Lahore-54660 Pakistan.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ATLAS INSURANCE LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016 AND LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (combined called "the Regulations") prepared by the Board of Directors of Atlas Insurance Limited ("the Company") for the year ended December 31, 2025 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance), Regulations, 2019 and provision (xxvi) of the Code of Corporate Governance for Insurers, 2016.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2025.

LAHORE
DATED: March 25, 2026
UDIN: CR202510131z1Tcvrj8

Muhammad Imran

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Imran

FINANCIAL *STATEMENTS*



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLAS INSURANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of ATLAS INSURANCE LIMITED, (the Company), which comprise the statement of financial position as at December 31, 2025, and the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including material accounting policies 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, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	Revenue Recognition - Premium Income	
	<p>Refer notes 7.3 and 25 to the financial statements for accounting policies and details in respect of revenue recognition.</p> <p>The Company earns revenue primarily from premium income, which amounts to Rs. 6,828 million (2024: 6,408 million). This income stream comprises of four segments: (i) Fire and property damage (ii) Marine, aviation and transport (iii) Motor and (iv) Miscellaneous.</p> <p>We have identified revenue recognition from premium income as a key audit matter as it is one of the key performance indicators of the Company and hence revenue may not be appropriately recorded.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> Our audit procedures in respect of this matter included the following: Obtained understanding, evaluated the design and tested the controls over the process of writing, processing and recording of premium; Assessed the appropriateness of the Company's accounting policy for recording of premium in line with the requirements of applicable law, accounting and reporting standards; Traced the premium recorded on sample basis from the underlying policies issued to insurance contract holders and applied substantive analytical procedures to corroborate with economic environment and usual policy-writing patterns; Tested the policies on sample basis where policies were written close to year end and subsequent to year end, and evaluated that these were recorded in the appropriate accounting period; Recalculated the unearned portion of premium income and ensured that appropriate amount has been recorded as provision for unearned premium in liabilities; and Assessed the appropriateness of disclosures in the financial statements in relation to premium income.

Sr. No.	Key audit matters	How the matter was addressed in our audit
2	Outstanding claims including IBNR	
	<p>As disclosed in notes 7.3 and 26 to the annexed financial statements, the Company's liability relating to outstanding claims including incurred but not reported (IBNR) aggregating to Rs. 1,474 million (2024: 1,602 million) which represents 13.20% (2024: 16.63%) of its total liabilities at the reporting date.</p> <p>Claims liabilities are recognized on intimation of the insured event based on management judgement and estimation based on the advice of an independent surveyor.</p> <p>Furthermore, the Company also maintains a provision for claims including IBNR based on the advice of an independent actuary. The actuarial valuation process involves significant judgement and the use of actuarial assumptions.</p> <p>Due to the significant judgment and estimation required to determine the obligations relating to outstanding claims including IBNR, we consider it to be a Key Audit Matter.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding and tested relevant controls over the process of capturing, processing and recording of information related to the claims: and recoveries from reinsurance arrangements; • Assessed the appropriateness of the Company's accounting policy for recording of claims in line with the requirements of applicable accounting and reporting standards; • Obtained an understanding of the work performed by the management expert (actuary) for determining provision for claims Incurred but Not Reported and tested underlying data used; • Tested on sample basis, claims transactions with the underlying documentation to evaluate whether the claims reported are recorded in accordance with the Company's policy and applicable insurance regulations, and assessed the sufficiency of reserving claim liabilities; • Inspected significant arrangements with reinsurers to obtain an understanding of contracts terms and tested on sample basis the recoveries from reinsurers based on their respective arrangements; • Used an external actuarial specialist to assist us in evaluation of general principles, actuarial assumptions and methods adopted for actuarial valuations by the actuary of the Company for determination of IBNR; and • Examined the adequacy of the disclosures made by the Company with regard to applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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


Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Usher Ordinance 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

LAHORE
DATED: March 25, 2026
UDIN: AR202510131MyaEWXbx0



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

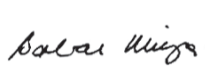
STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	Note	2025	2024 Restated	2023 Restated
Assets				
Property and equipment	8	527,730	331,065	230,136
Investments				
Equity securities	10	13,020,418	10,144,198	5,269,304
Debt securities	11	3,032,079	1,830,554	1,537,296
		16,052,497	11,974,752	6,806,600
Loans and other receivables	12	129,159	206,538	112,052
Insurance / reinsurance receivables	13	1,221,128	853,449	774,440
Reinsurance recoveries against outstanding claims	26	977,356	1,153,298	1,960,523
Salvage recoveries accrued		1,985	1,985	7,285
Retirement benefit assets	20	-	3,316	5,439
Deferred commission expense / acquisition cost	27	283,256	289,134	187,675
Prepayments	14	1,433,806	1,165,477	1,202,185
Cash and bank	15	1,179,328	1,531,222	1,544,843
		21,806,245	17,510,236	12,831,178
Total assets of Window Takaful Operations - Operator's Fund	16	690,086	579,813	449,653
Total assets of Window Takaful Operations - Participants' Takaful Fund	4 & 16	1,869,982	1,399,684	1,018,609
Total Assets		24,366,313	19,489,733	14,299,440
Equity and Liabilities				
Capital and reserves attributable to Company's equity holders				
Ordinary share capital	17	1,494,157	1,494,157	1,494,157
Reserves	18	7,773,085	5,145,622	2,419,880
Unappropriated profits		1,718,400	1,527,607	856,904
Total Equity		10,985,642	8,167,386	4,770,941
Liabilities				
Underwriting provisions				
Outstanding claims including IBNR	26	1,474,452	1,602,585	2,421,191
Unearned premium reserves	25	2,431,410	2,203,567	2,067,111
Premium deficiency reserves		-	5,680	3,333
Unearned reinsurance commission	27	266,371	261,533	211,362
Retirement benefit obligations	20	4,688	-	-
Deferred taxation	19	3,610,584	2,367,848	956,245
Premium received in advance		638,484	464,697	447,465
Lease liabilities	21	202,936	68,303	76,182
Insurance / reinsurance payable	22	608,913	664,922	839,312
Other creditors and accruals	23	1,583,609	1,695,660	1,185,637
Taxation - provision less payment		366,118	301,288	57,811
Total Liabilities		11,187,565	9,636,083	8,265,649
Total liabilities of Window Takaful Operations - Operator's Fund	16	323,124	286,580	244,241
Total liabilities and balance of Window Takaful Operations - Participants' Takaful Fund	4 & 16	1,869,982	1,399,684	1,018,609
Total Equity and Liabilities		24,366,313	19,489,733	14,299,440
Contingencies and Commitments				
	24			

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


Muhammad Aasim Gul
Chief Financial Officer


Babar Mahmood Mirza
Chief Executive


Ali H. Shirazi
Director


Fahim Ali Khan
Director


Iftikhar H. Shirazi
Chairman

PROFIT AND LOSS ACCOUNT

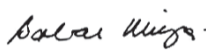
For the year ended December 31, 2025

	<u>Note</u>	<u>2025</u> <u>(Rupees in thousand)</u>	<u>2024</u>
Net insurance premium	25	3,543,594	2,884,308
Net insurance claims	26	(1,053,706)	(777,217)
Premium deficiency		5,680	(2,347)
Net commission and other acquisition income	27	123,132	108,119
Insurance claims and acquisition expenses		(924,894)	(671,445)
Management expenses	28	(1,413,474)	(1,178,158)
Underwriting results		1,205,226	1,034,705
Investment income	29	2,079,955	1,892,122
Other income	30	133,291	284,067
Other expenses	31	(127,527)	(223,168)
Results of operating activities		3,290,945	2,987,726
Finance costs	32	(20,255)	(12,812)
Profit before tax from Window Takaful Operations - Operator's fund	33	122,738	136,292
Profit before tax		3,393,428	3,111,206
Taxation	34	(1,316,641)	(1,222,444)
Profit after tax		2,076,787	1,888,762
----- Rupees -----			
Earnings (after tax) per share - basic and diluted	35	13.90	12.64

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



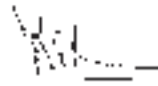
Muhammad Aasim Gul
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Iftikhar H. Shirazi
Chairman

STATEMENT OF COMPREHENSIVE INCOME

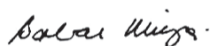
For the year ended December 31, 2025

	<u>2025</u>	<u>2024</u>
	(Rupees in thousand)	
Profit after tax	2,076,787	1,888,762
Other comprehensive income for the year:		
<i>Items that will be subsequently reclassified to profit and loss account (net of tax):</i>		
Un-realized gain on available for sale investments	2,013,525	2,320,734
Other comprehensive (loss) / profit from Window Takaful Operations - Operator's fund	(1,062)	5,008
	2,012,463	2,325,742
<i>Items that will not be subsequently reclassified to profit and loss account (net of tax):</i>		
Re-measurement (loss) / gain on retirement benefit obligations	(961)	3,727
Other comprehensive income for the year	2,011,502	2,329,469
Total comprehensive income for the year	<u>4,088,289</u>	<u>4,218,231</u>

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



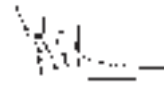
Muhammad Aasim Gul
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Iftikhar H. Shirazi
Chairman

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

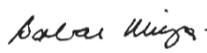
Attributable to equity holders of the Company

	Issued, subscribed and paid-up share capital	Investment fair value reserve	Revenue Reserves		Unappropriated profits	Total
			General reserve	Investment fluctuation reserve		
(Rupees in thousand)						
Balance as at January 01, 2024	1,494,157	1,515,625	901,255	3,000	856,904	4,770,941
Profit for the year	-	-	-	-	1,888,762	1,888,762
Other comprehensive income for the year	-	2,325,742	-	-	3,727	2,329,469
Total comprehensive income for the year	-	2,325,742	-	-	1,892,489	4,218,231
Transferred to general reserve	-	-	400,000	-	(400,000)	-
Transactions with in their capacity as owners recognized directly in equity:						
Final dividend for the year ended December 31, 2023 @ 30% (Rs. 3.0 per share)	-	-	-	-	(448,247)	(448,247)
Interim dividend for the period ended September 30, 2024 @ 25% (Rs. 2.5 per share)	-	-	-	-	(373,539)	(373,539)
Balance as at December 31, 2024	1,494,157	3,841,367	1,301,255	3,000	1,527,607	8,167,386
Profit for the year	-	-	-	-	2,076,787	2,076,787
Other comprehensive income for the year	-	2,012,463	-	-	(961)	2,011,502
Total comprehensive income for the year	-	2,012,463	-	-	2,075,826	4,088,289
Transferred to general reserve	-	-	615,000	-	(615,000)	-
Transactions with in their capacity as owners recognized directly in equity:						
Final dividend for the year ended December 31, 2024 @ 60% (Rs. 6 per share)	-	-	-	-	(896,494)	(896,494)
Interim dividend for the period ended September 30, 2025 @ 25% (Rs. 2.5 per share)	-	-	-	-	(373,539)	(373,539)
Balance as at December 31, 2025	1,494,157	5,853,830	1,916,255	3,000	1,718,400	10,985,642

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



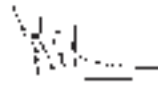
Muhammad Aasim Gul
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Frahim Ali Khan
Director



Iftikhar H. Shirazi
Chairman

CASH FLOW STATEMENT

For the year ended December 31, 2025

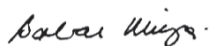
	<u>Note</u>	<u>2025</u>	<u>2024</u>
		(Rupees in thousand)	
Operating cash flows			
a) Underwriting activities			
Insurance premium received		7,196,127	6,493,331
Reinsurance premium paid		(3,636,438)	(3,922,101)
Claims paid	26	(2,319,632)	(2,371,641)
Reinsurance and other recoveries received		950,420	1,788,479
Commissions paid		(579,782)	(564,723)
Commissions received	27	804,136	723,718
Other underwriting payments		(85,835)	(37,983)
Other underwriting receipts		57,207	49,879
Management expenses paid		(1,143,459)	(808,441)
Net cash generated from underwriting activities		1,242,744	1,350,518
b) Other operating activities			
Income tax paid		(1,247,849)	(1,000,016)
Other operating payments		(277,148)	(209,962)
Other operating receipts		29,191	107,855
Net loan advanced		(2,921)	(589)
Net cash used in other operating activities		(1,498,727)	(1,102,712)
Total cash (used in) / generated from all operating activities		(225,983)	247,806
Investment Activities			
Profit / return received		280,672	502,555
Dividend received		675,980	643,607
Payments for investments		(6,912,493)	(5,482,471)
Proceeds from investments		7,304,587	5,091,834
Operating assets purchased	8.1	(157,303)	(199,074)
Proceeds from sale of property and equipment	8.1.2	13,791	37,540
Total cash generated from investing activities		1,205,234	593,991
Financing Activities			
Dividends paid		(1,245,172)	(807,078)
Payment of lease liability against right-of-use assets		(55,973)	(48,340)
Total cash used in financing activities		(1,301,145)	(855,418)
Total cash used in all activities		(351,894)	(13,621)
Cash and cash equivalents at the beginning of year		1,531,222	1,544,843
Cash and cash equivalents at the end of year	15	1,179,328	1,531,222

	<u>Note</u>	<u>2025</u> (Rupees in thousand)	<u>2024</u>
Reconciliation to profit and loss account			
Operating cash flows		(225,983)	247,806
Depreciation of operating assets	8.1	(73,254)	(58,666)
Depreciation of right-of-use assets	8.2	(42,379)	(34,582)
Gain on disposal of property and equipment		625	3,086
Gain on disposal of right-of-use asset		-	911
Finance cost	32	(20,255)	(12,812)
Profit on disposal of investments		1,106,811	898,610
Dividend income		675,980	643,607
Other and investment income		429,830	629,975
Increase / (decrease) in assets other than cash		435,981	(729,861)
(Increase) / decrease in liabilities other than borrowings		(16,801)	303,043
Other adjustments:			
Increase in provision for unearned premium		(227,843)	(136,456)
Increase in commission income unearned		(4,838)	(50,171)
(Decrease) / increase in provision for deferred commission expense		(5,878)	101,459
Profit from Window Takaful Operations for the year - Operator's fund		74,791	82,813
Profit after tax		<u>2,076,787</u>	<u>1,888,762</u>

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



Muhammad Aasim Gul
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Frahim Ali Khan
Director



Iftikhar H. Shirazi
Chairman

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

1. Legal status and nature of business

Atlas Insurance Limited (the Company) was incorporated as a public limited company on September 06, 1934 under the repealed Companies Act, 1913 (now the Companies Act, 2017) and is listed on the Pakistan Stock Exchange. The Company is engaged in general insurance business. The Company is a subsidiary of Shirazi Investments (Private) Limited.

The Company was granted license to work as Window Takaful Operator (WTO) on March 02, 2016 by the Securities and Exchange Commission of Pakistan (SECP) under Takaful Rules, 2012 to carry on Window Takaful Operations in Pakistan.

2. Geographical location and addresses of business units

The registered office of the Company is situated at 63/A, Block - XX, Phase III (Commercial), Khyaban-e-Iqbal, Defence Housing Authority, Lahore, Pakistan. The Company operates through 1 (2024: 1) principal offices and 29 (2024: 28) branches in Pakistan.

3. Basis of preparation and statement of compliance

3.1 Statement of compliance

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

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

- Provision of and directives issued under the Companies Act, 2017 and the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

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

3.1.2 As per the requirements of the Takaful Rules, 2012 and SECP Circular No. 25 of 2015 dated July 09, 2015, assets, liabilities, profit and loss and other comprehensive income of the Operator's Fund (OPF) of the Window Takaful Operations of the Company have been presented as a single line item in the statement of financial position, profit and loss account of the Company and statement of comprehensive income 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.

3.2 Basis of preparation

These financial statements have been presented on the format of financial statements issued by the SECP through the Insurance Rules, 2017 vide S.R.O. 89(I)/2017 dated February 09, 2017.

Total assets, total liabilities and profit and loss of the Window Takaful Operations of the Company referred to as OPF have been presented in these financial statements in accordance with the requirements of Circular 25 of 2015 dated July 09, 2015 issued by the SECP. Further, a separate set of the financial statements of the Window Takaful Operations has been annexed to these financial statements as per the requirements of the Takaful Rules, 2012.

3.3 Basis of measurement

These financial statements have been prepared under historical cost convention except for certain foreign currency translation adjustments, certain financial instruments carried at fair value, and defined benefit obligations under employees benefits carried at present value as described in respective notes. All transactions reflected in these financial statements are on accrual basis except for those reflected in cash flow statement.

3.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All the financial information presented in Rupees has been rounded off to the nearest thousand in Rupees, unless otherwise stated.

4. Change in accounting policy - S.R.O 311(i)/2025 - 'Amendments to the General Takaful Accounting Regulations, 2019'

During the year, the SECP issued S.R.O. 311(i)/2025, introducing amendments to the General Takaful Regulations, 2019. Pursuant to these amendments, the following disclosure requirements have been introduced for insurers in their financial statements:

The Insurers whose Window Takaful Operations constitute 25% or more of their total business may consolidate their conventional and takaful operations in the published financial statements. This includes comprehensive disclosures and segment reporting in accordance with IFRS 8. Insurers whose Window Takaful Operations less than 25% of their total business should disclose total assets and liabilities of the Window Takaful Operations (OPF and PTF) as a single line item in the statement of financial position.

The Company assessed its operations and concluded that its Window Takaful Operations are below the 25% threshold; therefore, these requirements are not applicable.

In line with the revised Regulation 6, all insurance companies are now required to present both the Operator's Fund (OPF) and the Participants' Takaful Fund (PTF) in their statement of financial position. Previously, only the OPF was included as part of takaful operations. Under the revised requirement, the total assets and total liabilities of the Window Takaful Operations (OPF and PTF) are presented as a single line item in the statement of financial position. As the Company has no residual interest in the PTF, any surplus in the fund remains attributable solely to the participants.

The Company has adopted the above-mentioned amendments by presenting the total assets, liabilities, and funds balance of the Window Takaful Operations as a single line item in the statement of financial position. The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these financial statements. The effects of restatements are as follows:

	<u>Had there been no adoption</u>	<u>Impact of adoption</u>	<u>After incorporating effect of adoption</u>
	(Rupees in thousand)		
As at December 31, 2024			
Effect on statement of financial position (Conventional):			
Total assets	18,090,049	1,399,684	19,489,733
Total funds and liabilities	18,090,049	1,399,684	19,489,733
As at December 31, 2023			
Effect on statement of financial position (Conventional):			
Total assets	13,280,831	1,018,609	14,299,440
Total funds and liabilities	13,280,831	1,018,609	14,299,440

There is no impact of this change on profit and loss account, statement of comprehensive Income, statement of cash flows and statement of changes in equity.

5. Application of new standards, amendments and interpretations to published approved accounting and reporting standards

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2025

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. 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.

	<u>Effective date (annual periods beginning on or after)</u>
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

5.2 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, except IFRS-17 which will have significant impact.

	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 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
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027

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 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. It has also been adopted locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. It has also been adopted locally by 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, 2027.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. Fair value of Financial Instruments as at December 31, 2025 is presented in note 39.1 of these financial statements.

5.2.1 Temporary exemption from application of IFRS 9

The Company has taken the benefit of temporary exemption of applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts" as allowed under IFRS. The SECP vide its SRO 1336(I)/2025 dated July 23, 2025, extended the applicability period of IFRS- 17 and the optional temporary exemption from applying IFRS 9 – Financial Instruments as for the annual period commencing from January 01, 2027.

6. Use of judgment and estimates

The preparation of financial statement in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to these financial statements or judgment was exercised in application of accounting policies, are as follows:

	<u>Note</u>
Residual values and useful lives of property and equipment	7.1
Premium deficiency reserves	7.6
Staff retirement benefits	7.15
Provision for outstanding claims including claims incurred but not reported (IBNR)	7.18
Provision and accrual	7.25

7. Material accounting policies information

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

7.1 Property and equipment

Operating assets - owned

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated on a reducing balance method at the rate specified in note 8.1 to the financial statements after taking into account residual value.

Depreciation is charged from the month in which an asset is acquired or capitalized, whereas no depreciation is charged in the month of disposal.

7.2 Right-of-use asset and lease liability

Right-of-Use Assets

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

Liabilities against leases for right-of-use assets

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of its assets (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.

Significant judgement in determining the lease term of contracts with renewal options

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.

7.3 Insurance contracts

Insurance contracts are those contracts where the Company has accepted significant insurance risk from the insurance contract holders by agreeing to compensate the insurance contract holder on the occurrence of a specified uncertain future event (the insured event) that adversely affects the insurance contract holder under the terms and conditions of the contract.

Contracts are issued to multiple types of clients with business in engineering, automobiles, cement, power, textile, paper, agriculture, services and trading sectors etc. and individuals as well. The tenure of these insurance contracts depends upon terms of the policies written and varies accordingly. Nonetheless, once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

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

- Fire and property damage insurance,
- Marine, aviation and transport insurance,
- Motor insurance and
- Miscellaneous insurance

a) Fire and property damage insurance:

i) Insurance risks and events insured

Insurance is provided to the insurance contract holders against damages caused by fire, earthquake, riot and strike, explosion, atmospheric disturbance, flood, electric fluctuation and impact and burglary etc. and loss of profit followed by the incident of fire. These insurance contracts are normally availed by commercial organizations, however, are available to both commercial organizations and individuals.

ii) Revenue recognition policy

Premium income is recognized over the period of insurance from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct insurance business, premium is recognized evenly over the period of the policy and for proportional reinsurance business, evenly over the period of underlying insurance policies. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. Premiums for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross premium underwritten is adjusted against the unearned premium reserves / liabilities existing at each reporting date to determine the net premium underwritten during the year.

Since majority of policies are for one year, the Company maintains its provision for unearned premium by applying the 1/24th method as stipulated in regulation 24(4)(ii) of the Insurance Accounting Regulations, 2017, except in rare circumstances where the coverage period materially differs, the same is recognized in accordance with the ratio of unexpired period of policy and the total period.

In addition to direct insurance, at times the Company also participates in risks under coinsurance from other insurance companies and also accepts risks through reinsurance inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Company. Premium recognized against coinsurance policies is limited to the share of the Company only. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

Premium income includes administrative surcharge that represents documentation and other charges recovered by the Company from insurance contract holders in respect of policies issued, at the rate of 5% of the gross premium written restricted to a maximum of Rs. 4,000 per policy.

iii) Claims recognition

Claim liability against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the insurance contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under Incurred But Not Reported (IBNR) and expected claims settlement costs.

b) Marine, aviation and transport insurance:

i) Insurance risks and events insured

Insurance is provided to the insurance contract holders against loss of or damage to cargo while in transit to and from foreign lands and inland transit due to various insured perils including loss of or damage to carrying vessel etc. This product is normally provided to commercial organizations. These insurance contracts are normally availed by commercial organizations, however, are available to both commercial organizations and individuals.

ii) Revenue recognition policy

Premium income is recognized over the period of insurance from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct business, evenly over the period of the policy and for proportional reinsurance business, evenly over the period of underlying insurance policies. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. Premiums for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross premium underwritten is adjusted against the unearned premium reserves / liabilities existing at each reporting date to determine the net premium underwritten during the year.

Since majority of policies are for one month period, premium written during last month of the financial year, is taken to the provision for unearned premium at the reporting date.

In addition to direct insurance, at times the Company also participates in risks under coinsurance from other insurance companies and also accepts risks through reinsurance inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Company. Premium recognized against coinsurance policies is limited to the share of the Company only. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

Premium income includes administrative surcharge that represents documentation and other charges recovered by the Company from insurance contract holders in respect of policies issued, at the rate of 5% of the gross premium written restricted to a maximum of Rs. 4,000 per policy.

iii) Claims recognition

Claim against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the insurance contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under IBNR and expected claims settlement costs.

c) Motor insurance:

i) Insurance risks and events insured

Insurance is provided to the assets of the insurance contract holders against accidental damage to or loss of insured vehicle including loss of or damage to third party and other comprehensive car coverage. This product is normally provided to individual customers. These insurance contracts are normally availed by commercial organizations, however, are available to both commercial organizations and individuals.

ii) Revenue recognition policy

Premium income is recognized over the period of insurance from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct business, evenly over the period of the policy and for proportional reinsurance business, evenly over the period of underlying insurance policies. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. Premiums for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross premium underwritten is adjusted against the unearned premium reserves / liabilities existing at each reporting date to determine the net premium underwritten during the year.

Since majority of policies are for one year, the Company maintains its provision for unearned premium by applying the 1/24th method as stipulated in regulation 24(4)(ii) of the Insurance Accounting Regulations, 2017.

In addition to direct insurance, at times the Company also participates in risks under coinsurance from other insurance companies and also accepts risks through reinsurance inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Company. Premium recognized against coinsurance policies is limited to the share of the Company only. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

Premium income includes administrative surcharge that represents documentation and other charges recovered by the Company from insurance contract holders in respect of policies issued, at the rate of 5% of the gross premium written restricted to a maximum of Rs. 2,000 per policy.

iii) Claims recognition

Claim against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the insurance contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under IBNR and expected claims settlement costs.

d) Miscellaneous insurance:

i) Insurance risks and events insured

Insurance is provided to the assets of insurance contract holders against damage / loss occurring due to burglary, loss of cash in safe, cash in transit and cash on counter, health, travel and crop etc. As per guidance of Insurance Accounting Regulations, 2017 amounts constituting less than 10% of the gross premium revenue are clubbed together under this class of insurance contract. Normally personal insurance contracts e.g. vehicle, travel, personal accident, etc. are provided to individual customers, whereas, insurance contracts of loss of cash in safe, cash in transit and cash on counter and health are provided to commercial organizations.

ii) Revenue recognition policy

Premium income is recognized over the period of insurance from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct business, evenly over the period of the policy and for proportional reinsurance business, evenly over the period of underlying insurance policies. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. Premiums for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross premium underwritten is adjusted against the unearned premium reserves / liabilities existing at each reporting date to determine the net premium underwritten during the year.

Since majority of policies are for one year, the Company maintains its provision for unearned premium by applying the 1/24th method as stipulated in regulation 24(4)(ii) of the Insurance Accounting Regulations, 2017, except in rare circumstances where the coverage period materially differs, the same is recognized in accordance with the ratio of unexpired period of policy and the total period.

In addition to direct insurance, at times the Company also participates in risks under coinsurance from other insurance companies and also accepts risks through reinsurance inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Company. Premium recognized against coinsurance policies is limited to the share of the Company only. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

Premium income includes administrative surcharge that represents documentation and other charges recovered by the Company from insurance contract holders in respect of policies issued, at the rate of 5% of the gross premium written restricted to a maximum of Rs. 4,000 per policy.

iii) Claims recognition

Claim against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the insurance contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under IBNR and expected claims settlement costs.

Detailed accounting policies for recording and measurement of reinsurance contracts held, receivables / payables related to insurance contracts and provision for outstanding claims including IBNR are mentioned in note 7.7, 7.8 and 7.18, respectively.

7.4 Deferred commission expense / acquisition cost

Deferred commission expense represents the portion of commission expense relating to the unexpired period of the insurance coverage at the reporting date. The same is amortized systematically, through the profit and loss account, over the reporting periods over which the related premium revenue is recognized. Accordingly, deferred commission expense is also effected by the judgement and estimates involved in the determination of premium revenue.

The Company maintains its provision for deferred commission expense by applying the 1/24 method on fire and property damage, motor and miscellaneous as stipulated in the Insurance Accounting Regulation, 2017 for non life insurance companies. In case of marine, aviation and transport commission expense relating to last month is taken as deferred commission expense.

7.5 Unearned premium reserves

Provision for unearned premium represents the portion of premium written relating to the unexpired period of insurance coverage at the reporting date. The method selected by management involves judgement and estimates regarding the expected pattern of incidence of risk in relation to a particular type of policy.

The Company maintains its provision for unearned premium by applying the 1/24th method on fire and property damage, motor and miscellaneous as stipulated in regulation 24(4)(ii) of the Insurance Accounting Regulations, 2017. However, in case of marine, aviation and transport, premium written during last month is taken to the provision for unearned premium.

7.6 Premium deficiency reserve

In order to comply with the requirements of section 34(2)(d) of the Insurance Ordinance, 2000, a premium deficiency reserve is maintained for each operating segment, where the unearned premium liability for any class of business is not adequate to meet the expected future liability, after reinsurance, for claims and other expenses, including reinsurance expense, commissions, and other underwriting expenses, expected to be incurred after the reporting date in respect of the policies in force at the reporting date, in that operating segment. The movement in the premium deficiency reserve is recorded as an expense / income as part of the underwriting results for the year. An estimate of loss ratios for the expired period is carried out, at each operating segment level, keeping in view historical claim development and experience during the expired period of the contracts. Where ratios are adverse, an assessment is made to determine if it is due to one off claim that are not expected to recur during the remaining period of the policies and expectations of future events that are believed to be reasonable. If determined to be inadequate, a deficiency in premium is recognized in the current reporting period.

7.7 Reinsurance contracts held

The Company enters into reinsurance contracts with reinsurance companies by arranging treaty reinsurance, whereby certain agreed proportion of risks are shared with the participating companies, hence higher underwriting capacity with larger spread becomes available. Depending upon the nature and / or size of the risk at times reinsurance of excess of capacity is also placed on case to case basis under facultative reinsurance arrangement. The Company also accepts facultative reinsurance from other local insurance companies provided the risk meets the underwriting requirements of the Company.

The risks undertaken by the Company under these contracts for each operating segment are stated in note 7.3 to these financial statements.

The benefits to which the Company is entitled under reinsurance contracts held are recognized as reinsurance assets. These assets include reinsurance receivables as well as receivables that are dependent on the expected claims and benefits arising under the related reinsured contracts. Reinsurance liabilities primarily include premium payable and commission payable (in case of facultative acceptance). Reinsurance assets and liabilities are measured consistently with the terms of the underlying reinsurance contracts.

Reinsurance assets and liabilities are derecognized when the contractual rights are extinguished or expired. Furthermore, reinsurance assets are not offset against related insurance liabilities.

Assets, liabilities and income and expense arising from ceded reinsurance contracts are presented separately from the assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Company from its direct obligation to its policyholders.

Premium ceded to reinsurers is recognized as follows:

a) for reinsurance contracts operating on a proportional basis, a liability to the reinsurer is recognized on attachment of the underlying policies reinsured, while an asset is recognized for the unexpired period of reinsurance coverage at the reporting date as prepaid reinsurance premium ceded and the same is expensed over the period of underlying policies; and

b) for reinsurance contracts operating on a non-proportional basis, a liability is recognized on inception of the reinsurance contract, while an asset is recognized for the unexpired period of reinsurance coverage at the reporting date as prepaid reinsurance premium ceded and the same is expensed over the period of indemnity.

7.8 Receivables and payables related to insurance contracts

Insurance / reinsurance receivables and payables are recognized when due and carried at cost less provision for impairment. Cost is the fair value of the consideration to be received / paid in the future for services rendered / received. These include amounts due to and from agents, brokers, insurance contract holders and other insurance companies.

An assessment is made at each reporting date to determine whether there is objective evidence from external as well as internal sources of information that a financial asset or group of assets may be impaired i.e. recoverable amount at the reporting date is less than the carrying amount of the asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized, in the profit and loss account, for the difference between the recoverable amount and the carrying amount. Provisions for impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in the provisions are recognized as income or expense, in the profit and loss account for the period.

7.9 Segment reporting

The Company accounts for segment reporting based on the guidelines of the Insurance Accounting Regulations, 2017 and the operating segments as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017, as the primary reporting format based on the Company's practice of internal reporting to the management on the same basis. The Company has determined its primary segments based on insurance risks covered under four types of insurance contracts as stated in note 7.3, to these financial statements.

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

As the operations of the Company are predominantly carried out in Pakistan, information relating to geographical segment is not considered relevant.

7.10 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand and deposits with banks.

7.11 Revenue recognition

a) Premium income earned

Premium income under an insurance contract is recognized over the period of insurance from the date of the issue of the policy / cover note to which it relates to its expiry as detailed in note 7.3 to these financial statements.

b) Commission income

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

c) Investment income

Following are recognized as investment income:

- Income on held to maturity investments is recognized in the profit and loss account on a time proportion basis taking into account the effective yield on investments; and
- Gain / loss on sale of investments is taken to the profit and loss account in the year of sale as per settlement date.

d) Dividend income and bonus shares

Dividend income and entitlement of bonus shares are recognized when the right to receive such dividends and bonus shares is established.

e) Rent and other income

Rental and other income is recognized on accrual basis.

f) Administration surcharge

Administrative surcharge includes documentation and other charges recovered by the Company from insurance contract holders in respect of insurance policies issued, at a rate of 5% of the gross premium, restricted to a maximum of Rs. 2,000 in case of motor, and Rs. 4,000 in case of all other insurance contracts. Administrative surcharge is recognized as revenue at the time of issuance of policy. For the purpose of these financial statements, administrative surcharge is included in gross premiums written during the year.

g) Interest income and other returns

Interest / mark-up is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

7.12 Investments

7.12.1 Recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs. All investments in equity securities, debt securities and term deposits are accounted for under IAS-39 and based thereon can be classified into any of the following categories:

- Held to maturity; and
- Available for sale

7.12.2 Investments other than subsidiary and associates

(i) Equity securities

Currently the Company classifies investment in equity securities such as listed / unlisted shares in other companies, mutual fund units / investments, etc. as 'Available for sale'.

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified as 'held to maturity' or 'investment at fair value through profit and loss account'. These investments are intended to be held for an indefinite period of time which may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates. Investments classified as 'available for sale' are initially measured at cost, being the fair value of consideration given.

At each subsequent reporting date, available for sale investments are remeasured at fair market value. Changes in fair market value are recognized in other comprehensive income / (loss) until derecognized or determined to be impaired. Gains / (losses) on derecognition and impairment (losses) / reversals are recognized in profit and loss account.

(ii) Debt securities and term deposits

The Company classifies its investments in debt securities and term deposits, as either 'Held to maturity' or 'Available for sale' depending upon the maturity of the investment.

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as 'held to maturity', while debt investments having an indefinite term / perpetual maturity are classified as 'available for sale'. These investments are initially measured at the cost being the fair value of consideration paid.

Subsequently 'held to maturity' investments are measured at amortized cost using the effective yield method. Any premium paid or discount availed on acquisition of held to maturity investments is deferred and included in the income for the period on a straight line basis over the term of investment. While 'available for sale' investments are remeasured at fair market value at each subsequent reporting date. Changes in fair market value, if any are recognized in other comprehensive income / (loss) until derecognized or determined to be impaired. Gains / (losses) on derecognition and impairment (losses) / reversals are recognized in profit and loss account.

The Company has classified debt investments in Pakistan Investment Bonds and Term Deposits as 'Held to maturity', whereas debt investments in Term Finance Certificates having a perpetual maturity have been classified as 'Available for sale' at the reporting date.

7.12.3 Impairment on equity securities

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 for available-for-sale equity securities is charged to the profit and loss account and any reversal in such impairment or subsequent increase in value of investments is recognized through statement of comprehensive income.

7.13 Taxation

7.13.1 Current tax

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

7.13.2 Deferred tax

Deferred tax is accounted for using the 'balance sheet liability method' in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in these financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

7.14 Levy

The amount calculated on gross amount of revenue or other basis (such as receipts or other values etc. as provided in law) as a levy within the scope of IFRIC 21/IAS 37 and recognize it as an operating expense. The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in the profit and loss account. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

7.15 Staff retirement benefits

7.15.1 Defined benefit plan

The Company operates two separate funded gratuity schemes (defined benefit plans) in respect of the all permanent employees (management and non-management) to which the Company makes contribution on the basis of recommendations made by the actuary. The latest actuarial valuation was carried out as at December 31, 2025, using the 'Projected Unit Credit Method'.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments.

Actuarial gains or losses are recognized in OCI when they occur. Amounts recorded in profit and loss account are limited to current and past service costs, gains or losses on settlements and net interest income / (expense).

7.15.2 Defined contribution plan

The Company operates a funded contributory provident fund (defined contribution plan) for all employees. Equal monthly contributions are made, both by the Company and the employees, to the fund, under the terms of the scheme.

7.15.3 Compensated absences

The Company provides for liability in respect of employees' compensated absences in the year in which these are earned.

7.16 Dividend distribution

Dividend is recognized as a liability in the period in which it is declared and approved. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

7.17 Management expenses

Expenses of management include both directly and indirectly attributable expenses allocated to various classes of business / operating segments on the basis of gross premium written. Management judgement is involved in determining the nature of expenses that are not allocable to the underwriting business and based thereon are classified as other expenses.

Allocation of management expenses effects the underwriting results of the operating segments, as disclosed in note 39 to these financial statements.

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

The Company recognizes a liability in respect of all claims incurred up to the reporting date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in an insurance contract. The liability for claims includes amounts in relation to unpaid reported claims, IBNR and expected claim settlement costs.

Outstanding claims comprise the estimated cost of claims incurred but not settled at the reporting date, whether reported or not. The Company engages an actuary to estimate the IBNR as per the SECP Circular No. 9 of 2016, "SEC guidelines for estimation of IBNR claim reserve, 2016".

The Guidelines require that estimation for provision for IBNR claims 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 Chain Ladder Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level to derive an IBNR estimate.

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

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the reinsurance recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance arrangements.

The premium liabilities have been determined such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of reporting date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

7.19 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the derecognition of the financial assets and liabilities is included in the net profit or loss account for the period in which it arises.

Financial instruments carried in the statement of financial position include investments, loan and other receivables, insurance / reinsurance receivables, reinsurance recoveries against outstanding claims, cash and bank, provision for outstanding claims, insurance / reinsurance payables, other creditors and accruals.

7.20 Off setting of financial asset and financial liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the financial statements when there is a legally enforceable right to set-off the recognized amount and the Company intends either to settle on net basis, or realize the assets and to settle the liabilities simultaneously.

7.21 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

7.22 Foreign currencies

Transactions in foreign currency, if any, are converted into Pak rupees at the rate of exchange prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Pak rupees at the rate of exchange prevailing at the reporting date. Exchange difference are taken to profit and loss account.

7.23 Reinsurance recoveries against outstanding claims

Reinsurance recoveries against outstanding claims are recognized on occurrence of the related claim liability. These are recorded as an asset and measured at the amount expected to be received.

7.24 Zakat

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

7.25 Creditors, accruals and provisions

Liabilities for creditors and other amounts payable are carried at cost which is fair value of the consideration to be paid in future for goods and / or 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 out flow 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 are adjusted to reflect the current best estimate.

7.26 Impairment

The carrying amounts of the Company's assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

7.27 Earnings per share

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

7.28 Loans and other receivables

These are recognized at cost, which is the fair value of the consideration given. However, an assessment is made at each statement of financial position date to determine whether there is objective evidence that a financial asset or group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount and the carrying amount.

7.29 Contingencies

Contingencies are disclosed when the Company has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not 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.

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

	<u>Note</u>	<u>2025</u> (Rupees in thousand)	<u>2024</u>
8. Property and equipment			
Operating assets	8.1	344,206	273,323
Right-of-use asset	8.2	183,524	57,742
		<u>527,730</u>	<u>331,065</u>

8.1 Operating assets

	2025									
	Cost			Accumulated Depreciation			Written down value			Depreciation rate
	As at January 01,	Additions	Disposals	As at December 31,	As at January 01,	Charge for the year	On disposals	As at December 31,	As at December 31,	
	(Rupees in thousand)									
Freehold building	8,500	-	-	8,500	7,087	71	-	7,158	1,342	5
Lease hold improvements	29,824	17,431	-	47,255	17,268	3,092	-	20,360	26,895	20
Furniture and fixtures	20,390	5,502	(75)	25,817	10,109	2,166	(58)	12,217	13,600	10 - 20
Office equipment	30,100	10,338	(532)	39,906	19,603	2,982	(421)	22,164	17,742	15 - 20
Computers equipment	59,227	35,226	(3,896)	90,557	36,181	12,117	(2,870)	45,428	45,129	33
Vehicles	291,588	88,806	(24,462)	355,932	76,058	52,826	(12,450)	116,434	239,498	20
	<u>439,629</u>	<u>157,303</u>	<u>(28,965)</u>	<u>567,967</u>	<u>166,306</u>	<u>73,254</u>	<u>(15,799)</u>	<u>223,761</u>	<u>344,206</u>	

	2024									
	Cost			Accumulated Depreciation			Written down value			Depreciation rate
	As at January 01,	Additions	Disposals	As at December 31,	As at January 01,	Charge for the year	On disposals	As at December 31,	As at December 31,	
	(Rupees in thousand)									
Freehold building	8,500	-	-	8,500	7,013	74	-	7,087	1,413	5
Lease hold improvements	20,725	9,099	-	29,824	15,834	1,434	-	17,268	12,556	20
Furniture and fixtures	14,157	6,776	(543)	20,390	9,094	1,445	(430)	10,109	10,281	10 - 20
Office equipment	26,827	3,923	(650)	30,100	17,927	2,216	(540)	19,603	10,497	15 - 20
Computers equipment	47,581	16,264	(4,618)	59,227	31,354	8,406	(3,579)	36,181	23,046	33
Vehicles	184,309	163,012	(55,733)	291,588	53,508	45,091	(22,541)	76,058	215,530	20
	<u>302,099</u>	<u>199,074</u>	<u>(61,544)</u>	<u>439,629</u>	<u>134,730</u>	<u>58,666</u>	<u>(27,090)</u>	<u>166,306</u>	<u>273,323</u>	

8.1.1 The depreciation charge / expense for the year has been allocated to management expenses as disclosed in note 28.

8.1.2 Disposal of property and equipment is as follows:

Particulars	Particulars of buyer	Relationship with the Company	(Rupees in thousand)			Mode of disposal
			Cost	Sale Proceeds	Net Book value	
Vehicles						
Honda Civic LEA-20-8338	Ms. Qudsia Naheed	Employee	3,514	1,199	1,199	Company Policy
Suzuki Cultus APX-632	Mr. Muhammad Najum	Employee	3,052	2,901	2,901	Company Policy
Honda City LE-20-6945	Mr. Fawad Habib	Employee	2,467	1,233	825	Company Policy
Suzuki Cultus ALE-092	Syed Asif Ali Shah	Employee	2,250	1,251	1,251	Company Policy
Suzuki Cultus AKK-946	Mr. Arif Iqbal	Employee	2,250	1,102	1,102	Company Policy
Suzuki Cultus ADC-292	Mr. Muhammad Shakil	Employee	1,795	704	704	Company Policy
Suzuki Cultus BRL-713	Mr. Shamsuddin	Employee	1,745	564	564	Company Policy
Suzuki Alto ABU-230	Mr. Tahir Jahangir	Employee	1,433	569	569	Company Policy
Suzuki Alto ACB-844	Mr. Muhammad Arshad	Employee	1,433	550	550	Company Policy
Suzuki Alto ACB-778	Mr. Mohsin Rafiq	Employee	1,433	530	530	Company Policy
Honda Civic AAC-249	Mr. Imran Zia Khan	Employee	1,385	1,008	1,008	Company Policy
Honda 125S ASA-8103	Mr. Muhammad Qasim	Employee	262	189	189	Company Policy
Honda CB-125F ADG-5764	Mr. Aqeel Ahmed	Employee	186	75	75	Company Policy
Honda CB-125F ADG-5816	Ms. Rubina	Employee	186	75	75	Company Policy
Honda CG-125 AJX-8996	Mr. Muhammad Rauf	Employee	146	146	76	Company Policy
Honda CG-125 AGY-7885	Mr. Sarfraz Nazir	Employee	137	137	55	Company Policy
Honda CD 70 KPY-2196	Mr. Muhammad Tariq	Employee	116	114	74	Company Policy
		C/F	<u>23,790</u>	<u>12,347</u>	<u>11,747</u>	

Particulars	Particulars of buyer	Relationship with the Company	Cost	Sale Proceeds	Net Book value	Mode of disposal
			(Rupees in thousand)			
		B/F	23,790	12,347	1,747	
Computers equipment						
HP Spectre X360	Syed Irtiza Abbas	Employee	339	34	105	Company Policy
iPhone 13 ProMax	Ms. Qudsia Naheed	Employee	318	174	174	Company Policy
HP Spectre X360	Mr. Rashid Amin	Employee	308	31	88	Company Policy
HP Spectre X360	Mr. Abbas Sajjad	Employee	308	31	88	Company Policy
HP Spectre X360	Mr. Muhammad Saeed	Employee	308	31	88	Company Policy
HP Spectre X360	Ms. Qudsia Naheed	Employee	308	31	88	Company Policy
Samsung S21	Syed Irtiza Abbas	Employee	175	-	52	Company Policy
iPhone 12 ProMax	Mr. Muhammad Najum	Employee	124	114	114	Company Policy
Other fixed assets with book value less than Rs. 50,000			2,987	998	622	
December 31, 2025			28,965	13,791	13,166	
December 31, 2024			61,544	37,540	34,454	

Note **2025** **2024**
(Rupees in thousand)

8.2 Right-of-use assets

Opening book value		57,742	62,767
Additions during the year	8.2.1	168,161	30,967
Disposals during the year		-	(1,410)
Depreciation charged during the year	27	(42,379)	(34,582)
Closing book value	8.2.2	183,524	57,742

8.2.1 During the year, the Company obtained 14 (2024: 9) buildings on a rental basis.

8.2.2 Right-of-use assets include Rs. 2,507 thousand (2024: Rs. 4,501 thousand) recognized against buildings rented from related parties.

8.2.3 The right-of-use assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits.

9. Intangible assets

The Company has fully amortized computer software costing Rs. 6,458 thousand (2024: Rs. 6,458 thousand) which are still in use at the reporting date.

10. Investments in equity securities

Note	2025			2024		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
(Rupees in thousand)						
Available for sale						
Related parties*						
Listed shares	10.2 & 10.5	643,711	-	643,711	-	643,711
Mutual funds	10.3 & 10.6	308,656	-	308,656	-	293,072
		952,367	-	952,367	-	936,783
Unrealized gain/(loss) on revaluation						
Revaluation of listed shares			5,397,276			3,313,478
Revaluation of mutual funds			619,953			382,080
			6,969,596			4,632,341
Others						
Listed shares	10.4 & 10.7	2,476,743	-	2,476,743	-	2,917,065
Unlisted shares	10.8	500	(500)	-	(500)	-
Mutual funds	10.9	1,337	-	1,337	-	1,240
		2,478,611	(500)	2,478,080	2,918,805	(500)
Unrealized gain on revaluation						
Revaluation of listed shares			3,568,579			2,590,297
Revaluation of mutual funds			4,163			3,255
			6,050,822			5,511,857
			13,020,418			10,144,198

* The Company has not accounted for investment in related parties as Associates under IAS 28 "Investment in Associates and Joint Ventures" as management has concluded that the Company does not have a significant influence in these companies.

	<u>2025</u> (Rupees in thousand)	<u>2024</u> (Rupees in thousand)
10.1 Particulars of impairment / provision		
Opening balance	500	500
Charge for the year	-	-
Elimination on disposal of securities	-	-
Closing balance	500	500
10.2	Listed securities in related parties include an amount of Rs. 6,040,987 thousand (2024: Rs. 3,957,189 thousand) being the fair market value of shariah compliant securities listed on PSX-KMI All Share Index. Cost of these securities amounts to Rs. 643,711 thousand (2024: Rs. 643,711 thousand).	
10.3	Mutual funds include an amount of Rs. 717,572 thousand (2024: Rs. 527,948 thousand) being the fair market value of shariah compliant mutual funds. Cost of these securities amounts to Rs. 242,681 thousand (2024: Rs. 230,715 thousand).	
10.4	Listed securities in other than related parties include an amount of Rs. 4,859,912 thousand (2024: Rs. 4,008,478 thousand) being the fair market value of shariah compliant securities listed on PSX-KMI All Share Index. Cost of these securities amounts to Rs. 1,956,096 thousand (2024: Rs. 2,145,800 thousand).	

10.5 Listed shares - related parties

Number of shares		Face value (Rupees)	Company's name	Cost		Carrying value	
2025	2024			2025	2024	2025	2024
3,518,073	3,518,073	10	Atlas Honda Limited Equity held: 2.84% (2024: 2.84%)	215,296	215,296	5,216,071	2,837,678
610,632	610,632	10	Atlas Battery Limited Equity held: 1.74% (2024: 1.74%)	11,376	11,376	147,736	232,492
850,000	850,000	10	Honda Atlas Cars (Pakistan) Limited Equity held: 0.60% (2024: 0.60%)	9,795	9,795	233,325	264,954
4,518,526	4,518,526	10	Cherat Packaging Limited Equity held: 9.20% (2024: 9.20%)	407,244	407,244	443,855	622,065
				<u>643,711</u>	<u>643,711</u>	<u>6,040,987</u>	<u>3,957,189</u>

10.6 Mutual funds - related parties

Number of units		Face value (Rupees)	Fund's name	Cost		Carrying value	
2025	2024			2025	2024	2025	2024
96,895	94,568	500	Atlas Stock Market Fund	65,975	62,357	211,037	147,204
436,193	426,568	500	Atlas Islamic Stock Fund	242,681	230,715	717,572	527,948
				<u>308,656</u>	<u>293,072</u>	<u>928,609</u>	<u>675,152</u>

10.6.1 The fund manager of above funds is Atlas Asset Management Limited (a related party).

10.7 Listed shares - others

Number of shares		Face value (Rupees)	Company's name	Cost		Carrying value	
2025	2024			2025	2024	2025	2024
Banks							
456,043	1,465,510	10	Bank Alfalah Limited	19,207	51,856	49,731	122,121
559,061	935,211	10	Bank Al-Habib Limited	34,520	57,746	104,343	122,915
751,744	625,872	10	United Bank Limited	66,852	111,317	319,183	239,227
513,500	853,040	10	Meezan Bank Limited	94,163	149,145	228,189	206,410
667,208	688,808	10	MCB Bank Limited	142,707	135,579	253,125	193,762
761,857	907,197	10	Habib Bank Limited	115,750	114,533	246,392	158,270
610,000	-	10	National Bank of Pakistan	108,226	-	147,730	-
-	761,500	10	Habib Metropolitan Bank Limited	-	29,727	-	66,251
			C/F	<u>581,425</u>	<u>649,903</u>	<u>1,348,693</u>	<u>1,108,956</u>

Number of shares		Face value (Rupees)	Company's name	Cost		Carrying value	
2025	2024			2025	2024	2025	2024
			B/F	581,425	649,903	1,348,693	1,108,956
			Insurance companies				
800,000	800,000	10	Adamjee Insurance Company Limited	33,384	33,384	64,904	39,960
			Construction and material				
3,535,580	3,535,580	10	Cherat Cement Company Limited	91,761	91,761	1,179,187	967,653
759,899	301,700	10	Lucky Cement Limited	129,310	248,451	360,922	332,018
1,319,500	1,520,000	10	Fauji Cement Company Limited	40,284	46,405	73,826	55,602
854,000	2,388,500	10	Maple Leaf Cement Factory Limited	51,885	100,571	100,285	109,728
414,000	-	10	DG Khan Cement Company Limited	63,695	-	95,183	-
-	255,000	10	Pioneer Cement Limited	-	50,243	-	51,265
			Power Generation				
1,335,000	1,724,000	10	The Hub Power Company Limited	136,857	173,687	295,542	225,654
			Oil and gas				
154,600	154,600	10	Pakistan Oilfields Limited	75,231	75,231	94,076	97,648
105,411	105,411	10	Mari Petroleum Company Limited	29,024	29,024	75,463	75,855
879,498	1,444,335	10	Oil & Gas Development Company Limited	116,957	164,711	247,218	328,240
931,600	1,064,500	10	Pakistan Petroleum Limited	107,851	104,924	219,438	216,679
414,380	160,000	10	Pakistan State Oil Company Limited	87,050	77,536	196,482	88,710
205,000	564,083	10	Attock Petroleum Limited	102,426	99,220	111,840	248,586
396,000	-	10	Sui Northern Gas Pipelines Limited	46,931	-	47,330	-
			Chemicals				
895,279	-	10	Engro Holdings Limited	118,969	-	212,423	-
811,905	1,090,000	10	Fauji Fertilizer Company Limited	107,196	125,619	479,600	222,567
793,000	1,145,305	10	Engro Fertilizers Limited	91,390	135,512	179,496	419,548
503,983	-	10	Fatima Fertilizer Limited	72,799	-	76,409	-
-	532,637	10	Engro Corporation Limited	-	158,833	-	237,173
			Pharmaceuticals				
45,120	45,120	10	Abot Laboratories (Pakistan) Limited	43,461	43,461	47,382	55,852
115,500	177,500	10	GlaxoSmithKline Pakistan Limited	33,894	52,088	45,020	70,452
108,000	21,500	10	Haleon Pakistan Limited	89,769	19,080	89,999	17,365
43,000	43,000	10	Hinoon Laboratories Limited	34,329	34,329	43,967	39,483
-	88,000	10	Shifa International Hospital	-	26,304	-	34,884
-	313,550	10	AGP Limited	-	42,775	-	53,335
			General industries				
1,386,555	299,781	10	Systems Limited	129,779	140,295	236,935	186,299
480,000	480,000	10	Nishat Mills Limited	34,708	34,708	84,754	51,426
24,729	24,729	10	Servis Industries Limited	26,378	26,378	38,948	39,183
-	979,000	10	Interloop Limited	-	63,909	-	67,277
-	823,528	10	Mughal Iron & Steel Industries Limited	-	68,723	-	65,964
			Impairment in value of available for sale investments	-	-	-	-
				<u>2,476,743</u>	<u>2,917,065</u>	<u>6,045,322</u>	<u>5,507,362</u>

10.8 Unlisted shares - others

Number of shares		Face value (Rupees)	Company's name	Cost		Carrying value	
2025	2024			2025	2024	2025	2024
			Banks				
50,000	50,000	10	Arabian Sea Country Club Limited	500	500	-	-
			Impairment in value of available for sale investment	(500)	(500)	-	-
				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

10.8.1 The name of Chief Executive Officer is Mr. Arif Ali Khan Abbasi. The break-up value is Rs. (11.79) per share based on latest audited accounts available.

10.9 Mutual funds - others

Number of units		Face value (Rupees)	Fund's name	Cost		Carrying value	
2025	2024			2025	2024	2025	2024
32,785	29,447	10	National Investment (Unit) Trust - (note 10.9.1)	1,337	1,240	5,500	4,495
				1,337	1,240	5,500	4,495

10.9.1 This includes 28,000 units (2024: 28,000 units) held as statutory deposit with The State Bank of Pakistan under section 29(2)(a) of the Insurance Ordinance, 2000 cost amounting to Rs. 350 thousand (2024: Rs. 350 thousand).

Note	2025			2024		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in thousand)					

11. Investments in debt securities

Others

Held to maturity

Pakistan Investment Bonds	11.1.1 & 11.1.4	461,111	-	478,223	839,000	-	846,611
Treasury Bills	11.1.2 & 11.1.5	2,487,821	-	2,533,856	897,125	-	963,943

Available for sale

Term Finance Certificates	11.1.3	20,000	-	20,000	20,000	-	20,000
		2,968,932	-	3,032,079	1,756,125	-	1,830,554

11.1 Particulars of debt securities are as follows:

11.1.1 Pakistan Investment Bonds

Face value (Rupees)	Type of security	Profit payment	Profit rate	Maturity date	Carrying value	
					2025	2024
40,000,000	5 year Pakistan Investments Bond	Bi-annually	14.00%	January 17, 2029	39,472	39,340
70,000,000	5 year Pakistan Investments Bond	Bi-annually	10.50%	October 13, 2027	65,105	62,862
30,000,000	3 year Pakistan Investments Bond	Bi-annually	14.00%	February 15, 2027	29,545	29,195
350,000,000	3 year Pakistan Investments Bond	Bi-annually	12.00%	July 04, 2026	344,101	715,214
					478,223	846,611

11.1.2 Treasury Bills

Face value (Rupees)	Type of security	Profit payment	Yield Rate	Maturity date	Carrying value	
					2025	2024
110,000,000	12 months Treasury Bill	On maturity	11.21%	December 11, 2026	99,522	-
55,000,000	12 months Treasury Bill	On maturity	11.32%	November 12, 2026	50,155	-
55,000,000	12 months Treasury Bill	On maturity	11.32%	October 28, 2026	50,386	-
250,000,000	6 months Treasury Bill	On maturity	10.83%	March 05, 2026	245,497	-
65,000,000	6 months Treasury Bill	On maturity	10.83%	February 19, 2026	64,085	-
190,000,000	6 months Treasury Bill	On maturity	10.83%	February 19, 2026	187,326	-
360,000,000	3 months Treasury Bill	On maturity	11.00%	February 19, 2026	354,711	-
100,000,000	3 months Treasury Bill	On maturity	11.00%	February 19, 2026	98,531	-
235,000,000	3 months Treasury Bill	On maturity	11.02%	February 06, 2026	232,440	-
250,000,000	3 months Treasury Bill	On maturity	10.89%	January 23, 2026	248,327	-
500,000,000	3 months Treasury Bill	On maturity	11.00%	January 08, 2026	498,825	-
405,000,000	1 month Treasury Bill	On maturity	10.79%	January 08, 2026	404,051	-
300,000,000	12 months Treasury Bill	On maturity	16.80%	September 04, 2025	-	270,776
85,000,000	12 months Treasury Bill	On maturity	16.83%	September 04, 2025	-	76,712
175,000,000	12 months Treasury Bill	On maturity	16.86%	August 21, 2025	-	158,874
40,000,000	12 months Treasury Bill	On maturity	18.00%	July 24, 2025	-	36,563
180,000,000	12 months Treasury Bill	On maturity	18.85%	June 12, 2025	-	167,246
70,000,000	12 months Treasury Bill	On maturity	19.98%	May 29, 2025	-	65,240
60,000,000	12 months Treasury Bill	On maturity	20.84%	May 02, 2025	-	56,532
85,000,000	6 months Treasury Bill	On maturity	17.62%	March 06, 2025	-	82,548
50,000,000	6 months Treasury Bill	On maturity	19.00%	January 23, 2025	-	49,452
					2,533,856	963,943

11.1.3 Term Finance Certificates

No. of certificates		Face value		Company's name	Effective rate	Maturity date	Carrying value	
2025	2024	2025	2024				2025	2024
		(Rupees in thousand)			%		(Rupees in thousand)	
1	1	20,000	20,000	Habib Bank Limited	3 Month Kibor + 160 bps	Perpetual	20,000	20,000

11.1.4 Pakistan Investment Bonds having cost of Rs. 173,347 thousand (2024: Rs. 858,065 thousand) are placed as statutory deposit with the State Bank of Pakistan (SBP) in accordance with the requirements of Section 29(2)(a) of the Insurance Ordinance, 2000.

11.1.5 Treasury Bills having cost of Rs. Nil (2024: Rs. 209,889 thousand) are placed as statutory deposit with the SBP in accordance with the requirements of Section 29(2)(a) of the Insurance Ordinance, 2000.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
12. Loan and other receivables - considered good			
Loan to related parties	12.1	4,662	1,313
Accrued investment income		26,871	83,480
Security deposits		11,199	9,193
Loans to employees		470	898
Advances to suppliers		6,906	2,707
Receivable from Operator's Fund	12.2	54,000	37,500
Other receivable		25,051	71,447
		<u>129,159</u>	<u>206,538</u>

12.1 This represents interest free amounts due from executives / key management personnel. These balance have not been discounted as the impact of time value of money is considered to be immaterial.

12.2 This represents receivable in respect of common expenses incurred by the Company on behalf of the Window Takaful Operations.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
13. Insurance / reinsurance receivables - unsecured and considered good			
Due from insurance contract holders		409,110	351,196
Less: Provision for impairment of receivable from insurance contract holders	13.1	(2,859)	(2,859)
		<u>406,251</u>	<u>348,337</u>
Due from other insurers / reinsurers	13.3	816,836	507,071
Less: Provision for impairment of due from other insurers/ reinsurers	13.2	(1,959)	(1,959)
		<u>814,877</u>	<u>505,112</u>
		<u>1,221,128</u>	<u>853,449</u>

13.1 Provision for impairment for receivables from insurance contract holders

Balance as at January 01,	2,859	2,859
Addition / (reversal) made during the year	-	-
Balance as at December 31,	<u>2,859</u>	<u>2,859</u>

13.2 Provision for impairment of due from other insurers / reinsurers

Balance as at January 01,	1,959	1,959
Addition / (reversal) made during the year	-	-
Balance as at December 31,	<u>1,959</u>	<u>1,959</u>

13.3 The Company has coinsurance and reinsurance arrangements with various insurance companies and domestic reinsurance company. Under the above arrangements, the receivable and payable balances originate mainly due to premiums collected or claims settled by the lead insurer on behalf of other coinsurers, and in case of reinsurance, the premium ceded to and claims recoverable from the reinsurer under the respective contracts. As per the prevailing industry practices, settlements of balances under coinsurance arrangements are done between respective insurance companies in normal course of business.

The Company believes that the current balances of coinsurance and reinsurance reflected in the records of the Company are based on underlying contracts and transactions supported by appropriate evidence.

In this regard, the Company exchanged balance information with various coinsurers based on significance of the balances and the reinsurers. This information corroborates the balance position of the Company in all material respects.

	<u>Note</u>	<u>2025</u> <u>(Rupees in thousand)</u>	<u>2024</u>
14. Prepayments			
Prepaid reinsurance premium ceded		1,432,234	1,164,279
Prepaid miscellaneous expenses		1,572	1,198
		<u>1,433,806</u>	<u>1,165,477</u>
15. Cash and bank			
Cash and cash equivalents			
Cash at bank			
- Current accounts		-	-
- Saving accounts	15.1	1,179,328	1,531,222
		<u>1,179,328</u>	<u>1,531,222</u>

15.1 The balance in savings accounts bears mark-up which ranges from 2.98% to 11.50% (2024: 2.51% to 20.69%) per annum.

15.2 Cash at bank represents the cash and cash equivalents for the purpose of cash flow statement.

	<u>Operator's fund</u>		<u>Participant's fund</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>(Rupees in thousand)</u>			
16. Total assets of window takaful operations				
Total asset in Window takaful	690,086	579,813	1,869,982	1,399,684
Total liabilities in Window takaful	323,124	286,580	1,554,491	1,154,100
Total fund of PTF	-	-	315,491	245,584
Profit for the year - OPF	122,738	136,292	-	-

17. Ordinary share capital

17.1 Authorised capital	<u>2025</u> <u>2024</u>			<u>2025</u> <u>2024</u>	
	<u>(Number of shares)</u>			<u>(Rupees in thousand)</u>	
	150,000,000	150,000,000	Ordinary shares of Rs. 10/- each	1,500,000	1,500,000

17.2 Issued, subscribed and paid up share capital	<u>2025</u> <u>2024</u>			<u>2025</u> <u>2024</u>	
	<u>(Number of shares)</u>			<u>(Rupees in thousand)</u>	
	250,000	250,000	Ordinary shares of Rs. 10/- each fully paid in cash	2,500	2,500
	149,165,675	149,165,675	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	1,491,657	1,491,657
	<u>149,415,675</u>	<u>149,415,675</u>		<u>1,494,157</u>	<u>1,494,157</u>

17.3 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

17.4 There is no movement in the share capital accordingly reconciliation has not been prepared.

	<u>Note</u>	<u>2025</u> <u>(Rupees in thousand)</u>	<u>2024</u>
18. Reserves			
Revenue reserves			
Investment fair value reserve	18.1	5,853,830	3,841,367
General reserve		1,916,255	1,301,255
Investment fluctuation reserve		3,000	3,000
		<u>7,773,085</u>	<u>5,145,622</u>

- 18.1 This represents unrealized gain on re-measurement of available for sale investments at fair value. This shall be transferred to profit and loss account on de-recognition of investments, as permitted under IAS 39.

	<u>Note</u>	<u>2025</u> (Rupees in thousand)	<u>2024</u> (Rupees in thousand)
19. Deferred taxation			
Deferred debits arising in respect of:			
Provision for bonus to staff		(2,577)	(1,925)
Provision for doubtful receivables - insurance / reinsurance receivables		(1,879)	(1,879)
Impairment in value of available for sale securities		(195)	(195)
Provision for Workers' Welfare Fund (WWF)		(90,007)	(63,326)
Retirement benefit obligations		(2,442)	-
Provision for donation		(17,406)	(12,260)
Lease liabilities		(79,145)	(26,638)
Accelerated tax depreciation		(7,428)	(4,877)
		(201,079)	(111,100)
Deferred credits arising due to:			
Unrealized gain on remeasurement of investment		3,740,089	2,452,753
Retirement benefit assets		-	3,676
Right-of-use assets		71,574	22,519
		3,811,663	2,478,948
Net deferred tax liability		3,610,584	2,367,848
19.1 Reconciliation of deferred tax liabilities, net			
As at January 01,		2,367,848	956,245
Tax expense recognized in statement of profit and loss	34	(43,985)	(74,528)
Tax income recognized in Other Comprehensive Income (OCI)	19.1.1	1,286,721	1,486,131
As at December 31,		3,610,584	2,367,848

- 19.1.1 This represents deferred tax charged to unrealized gain / (loss) on available-for-sale investments in OCI.

20. Retirement benefit (assets) / obligations

The Company operates separate defined benefit plans for management and non-management staff. Description of the retirement benefit plans and related accounting policies are stated in note 6.15.

As per IAS 19, the Company has used the 'Projected Unit Credit Method' to determine the present value of its defined benefit obligations and the related current service costs. Actuarial gains and losses on obligation result from increases or decreases in the present value of the defined benefit obligation arising because of changes in financial assumptions, demographic assumptions and experience adjustments.

The Company makes contribution to the Fund based upon recommendations of the latest actuarial valuations carried out, such that the employer's contributions to the Fund should remain within the limits laid down in the Income Tax Rules, 2002. Details of the defined benefit plans are:

20.1 The plans expose the Company to the actuarial risks such as:

Salary risks

The risk that the final salary at the time of cessation of service may be greater than that assumed in determination of present value of defined benefit obligations. As the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increase.

Mortality/withdrawal risks

The risks that the actual mortality / withdrawal experiences is different. The effect depends upon beneficiaries' service / age distribution and the entitled benefits of the beneficiary.

Interest rate risks

The risk that bond interest rate may be different. A decrease in bond interest rate will increase the liability, and vice versa.

	<u>Note</u>	<u>2025</u> (Rupees in thousand)	<u>2024</u> (Rupees in thousand)
Gratuity			
- Management staff	20.2	8,784	134
- Non-management staff	20.2	(4,096)	(3,450)
(Asset) / liability		4,688	(3,316)

	Note	Management staff		Non-management staff	
		2025	2024	2025	2024
(Rupees in thousand)					
20.2 Reconciliation - Statement of financial position					
Fair value of plan assets	20.2.1	(168,867)	(140,181)	(39,560)	(34,194)
Present value of defined benefit obligations	20.2.2	177,896	142,858	35,464	30,744
Funded status		9,029	2,677	(4,096)	(3,450)
Receivable in respect of inter group transfers / outgoing employees		(245)	(2,543)	-	-
Unrecognized net actuarial loss		-	-	-	-
Recognized (asset) / liability		8,784	134	(4,096)	(3,450)
20.2.1 Movement in the fair value of plan assets					
Fair value as at January 01,		140,181	80,659	34,194	28,470
Expected return on plan assets		17,414	12,688	4,020	4,269
Actuarial gain / (loss)		14,916	13,481	1,346	1,455
Employer contributions		-	34,804	4,210	1,163
Benefits paid		(5,942)	(1,451)	(4,210)	(1,163)
Others		2,298	-	-	-
Fair value as at December 31,	20.2	168,867	140,181	39,560	34,194
20.2.2 Movement in the defined benefit obligations					
Obligation as at January 01,		142,858	77,488	30,744	26,202
Service cost		8,922	43,164	1,948	1,820
Interest cost		17,580	12,231	3,622	3,942
Actuarial losses / (gain)		14,478	8,883	3,360	(57)
Benefits paid		(5,942)	(1,451)	(4,210)	(1,163)
Others		-	2,543	-	-
Obligation as at December 31,	20.2	177,896	142,858	35,464	30,744
20.2.3 Number of staff covered under the defined benefit plan		153	131	124	72
20.2.4 Cost					
Current service cost		8,922	43,164	1,948	1,820
Interest cost		17,580	12,231	3,622	3,942
Expected return on plan assets		(17,414)	(12,688)	(4,020)	(4,269)
Expense		9,088	42,707	1,550	1,493
Actual return on plan assets		32,330	26,169	5,366	5,724
20.2.5 Principal actuarial assumptions used are as follows:					
		2025	2024		
Management staff					
Discount rate		11.00% per annum	12.25% per annum		
Future long term salary increases		10.00% per annum	11.25% per annum		
Mortality rates		SLIC (2001-05)-1	SLIC (2001-05)-1		
Rates of employee turnover		Moderate	Moderate		
Non-management staff					
Discount rate		11.00% per annum	12.25% per annum		
Future long term salary increases		10.00% per annum	11.25% per annum		
Mortality rates		SLIC (2001-05)-1	SLIC (2001-05)-1		
Rates of employee turnover		Moderate	Moderate		

	Management staff		Non-management staff	
	2025	2024	2025	2024
20.2.6 Expected costs for the next year are as follows:	(Rupees in thousand)			
Current service cost	9,683	8,922	2,991	1,948
Interest cost	17,244	17,581	4,013	3,622
Expected return on plan assets	(16,314)	(17,407)	(4,441)	(4,020)
Expense	<u>10,613</u>	<u>9,096</u>	<u>2,563</u>	<u>1,550</u>

	2025	2024	2023	2022	2021
	20.2.7 Comparison for five year	(Rupees in thousand)			
Management staff					
As at December 31					
Fair value of plan assets	(168,867)	(140,181)	(140,181)	(55,065)	(55,253)
Defined benefit obligation	177,896	142,858	142,858	64,207	54,211
(Deficit) / surplus	<u>9,029</u>	<u>2,677</u>	<u>2,677</u>	<u>9,142</u>	<u>(1,042)</u>
Experience adjustments					
Gain / (loss) on plan assets (as percentage of plan assets)	8.8%	9.6%	9.6%	-7.0%	-5.0%
Loss on obligations (as percentage of obligations)	8.1%	6.2%	6.2%	4.0%	4.0%
Non-Management staff					
As at December 31					
Fair value of plan assets	(39,560)	(34,194)	(34,194)	(19,944)	(21,622)
Defined benefit obligation	35,464	30,744	30,744	23,659	20,399
(Deficit) / surplus	<u>(4,096)</u>	<u>(3,450)</u>	<u>(3,450)</u>	<u>3,715</u>	<u>(1,223)</u>
Experience adjustments					
Gain / (loss) on plan assets (as percentage of plan assets)	3.4%	4.3%	4.3%	-27.4%	-12.4%
Loss / (gain) on obligations (as percentage of obligations)	9.5%	-0.2%	-0.2%	0.0%	3.9%

	2025		2024	
	(Rupees in thousand)	%	(Rupees in thousand)	%
20.2.8 Plan assets comprises of the following				
Management staff				
Debt	4,361	3%	6,233	4%
Mutual funds	163,446	96%	127,525	91%
Cash and bank balances	1,060	1%	6,423	5%
Other payable	-	0%	-	0%
	<u>168,867</u>	<u>100%</u>	<u>140,181</u>	<u>100%</u>
Non-management staff				
Debt	38,640	98%	34,180	100%
Mutual funds	-	0%	-	0%
Cash and bank balances	920	2%	14	0%
Other payable	-	0%	-	0%
	<u>39,560</u>	<u>100%</u>	<u>34,194</u>	<u>100%</u>

	Management staff		Non-management staff	
	2025	2024	2025	2024
20.2.9 Sensitivity Analysis on significant actuarial assumptions	(Rupees in thousand)			
Discount rate + 1%	169,277	135,321	33,333	29,072
Discount rate +-1%	187,554	151,273	37,832	32,596
Long term salary increase +1%	186,707	151,952	37,662	32,742
Long term salary increase -1%	169,901	134,582	33,448	28,913

20.2.10 The cost has been allocated to the management expenses.

21. Lease liabilities

The effective interest rate used as the discounting factor (i.e. incremental borrowing rate) ranges from 10.67% to 23.61% (2024: 10.67% to 23.61%).

21.1 Minimum Lease Payments (MLP) and their Present Value (PV) are as follows:

	2025			2024		
	MLP	Future financial charges	PV of MLP	MLP	Future financial charges	PV of MLP
	(Rupees in thousand)			(Rupees in thousand)		
Due not later than 1 year	60,598	26,579	34,019	30,433	10,991	19,442
Due later than 1 year but not later than 5 years	199,375	50,956	148,419	57,269	23,379	33,890
Due later than 5 years	18,829	(1,669)	20,498	20,870	5,899	14,971
	<u>278,802</u>	<u>75,866</u>	<u>202,936</u>	<u>108,572</u>	<u>40,269</u>	<u>68,303</u>

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
21.2 Set out below are the carrying amounts of lease liabilities and the movements during the year:			
Balance as at January 01,		68,303	76,182
Additions during the year		168,161	30,967
Deletions during the year		-	(2,321)
Markup on lease liabilities		22,445	11,815
		<u>258,909</u>	<u>116,643</u>
Lease rentals paid		(55,973)	(48,340)
Balance as at December 31,		<u>202,936</u>	<u>68,303</u>

22. Insurance / reinsurance payable

Due to other insurers / reinsurers		<u>608,913</u>	<u>664,922</u>
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23. Other creditors and accruals

Agent commission payable		287,671	197,165
Federal Excise Duty / Sales tax		51,610	51,902
Federal Insurance Fee		1,446	1,005
Workers' Welfare Fund (WWF)	23.1	230,786	162,374
Payable to related parties	23.2	44,632	31,436
Accrued expenses		59,686	60,111
Other tax payable		33,013	21,046
Unpaid and unclaimed dividend		174,854	149,993
Deposit against performance bonds		513,969	716,006
Bonus payable to staff		6,607	4,936
Leave encashment payable		85,431	69,894
Profit commission payable		33,735	36,565
Payable against investment	23.3	604	146,394
Others	23.4	59,565	46,833
		<u>1,583,609</u>	<u>1,695,660</u>

23.1 WWF

Balance as at January 01,		162,374	-
Add: Provision during the year	23.1.1	68,412	162,374
Less: Payments made during the year		-	-
Balance as at December 31,		<u>230,786</u>	<u>162,374</u>

23.1.1 The correspondence figures includes the impact of prior periods charged previously. The adjustment has been accounted in the current year instead of retrospective adjustment since the impact has been considered insignificant by the management of the Company. The chargeability of WWF on insurance companies has been challenged and pending adjudication. The Company has provided for the provision on prudent basis.

23.2 This includes donation payable to a related party, Atlas Foundation, amounting to Rs. 44,632 thousand (2024: Rs. 31,436 thousand).

23.3 This represent amount payable against investment purchase before the year end. However, settled subsequent to the year end.

23.4 Unclaimed insurance benefits

Others include unclaimed insurance benefits of Rs. 33,618 thousand (2024: Rs. 32,295 thousand), aging of which is given below:

	Age-wise breakup of unclaimed insurance benefits					Total
	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	beyond 36 months	
	(Rupees in thousand)					
Claims not encashed - 2025	1,391	7,968	1,567	6,629	16,063	33,618
Claims not encashed - 2024	813	6,343	6,650	2,449	16,040	32,295

24. Contingencies and commitments

24.1 Contingencies

24.1.1 For the tax year 2017, the Deputy Commissioner Inland Revenue (DCIR) created a tax demand of Rs. 654,473 thousand, which mainly pertained to disallowances due to need of underlying evidences and disallowance of certain expenses due to non-deduction of withholding tax.

Being aggrieved, the Company filed an appeal before the CIR (A) against the aforesaid order, who has disposed of the appeal and remanded back the entire case to the DCIR for reconsideration. The Company has filed an appeal before ATIR against the order of the CIR (A) which is pending for adjudication.

24.1.2 For the tax year 2018, the DCIR created default surcharge of Rs. 4,010 thousand, which mainly pertained to default surcharge under section 147/205 of the Income Tax Ordinance, 2000.

Being aggrieved, the Company filed an appeal before the CIR (A) against the aforesaid order, which is pending adjudication. No provision has been recognized in these financial statements since the management believes that there are meritorious grounds that the case will be decided in favor of the Company.

	<u>Note</u>	<u>2025</u> (Rupees in thousand)	<u>2024</u> (Rupees in thousand)
24.1.3 Other contingencies			
Claims against the Company not acknowledged as debt		47,216	34,378
24.2 Commitments			
The amount of future payments under low value leases and the period in which these payments will become due are as follows:			
Not later than one year		1,068	1,258
Later than one year and not later than five years		2,001	2,029
	24.2.1	3,069	3,287

24.2.1 These include commitments in respect of low value leases of buildings and trackers. Leasing arrangements with respect to buildings, carry varying terms and are renewable upon expiry with mutual consent of parties to the arrangement.

	<u>2025</u> (Rupees in thousand)	<u>2024</u> (Rupees in thousand)
25. Net insurance premium		
Written gross premium	7,056,146	6,545,434
Add: Unearned premium reserve - opening	2,203,567	2,067,111
Less: Unearned premium reserve - closing	(2,431,410)	(2,203,567)
Premium earned	6,828,303	6,408,978
Less: Reinsurance premium ceded	3,552,664	3,488,022
Add: Prepaid reinsurance premium - opening	1,164,279	1,200,927
Less: Prepaid reinsurance premium - closing	(1,432,234)	(1,164,279)
Reinsurance expense	3,284,709	3,524,670
	3,543,594	2,884,308
26. Net insurance claims		
Claims paid	2,319,632	2,376,941
Add: Outstanding claims including IBNR - closing	1,474,452	1,602,585
Less: Outstanding claims including IBNR - opening	(1,602,585)	(2,421,191)
Claims expense	2,191,499	1,558,335
Less: Reinsurance and other recoveries received	1,313,735	1,588,343
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	977,356	1,153,298
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(1,153,298)	(1,960,523)
Reinsurance and other recoveries Revenue	1,137,793	781,118
Net claims expense	1,053,706	777,217

26.1 Claim development

The following table shows the development of fire and property damage insurance, marine, aviation and transport insurance and others including miscellaneous intimated claims compared to the last four years excluding provision for IBNR. The disclosure goes back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments. For other classes of business the uncertainty about the amount and timings of claims payment is usually resolved within a year.

<u>Accident year</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	(Rupees in thousand)				
Estimate of ultimate claims costs:					
At end of accident year	630,851	1,026,503	530,717	992,724	937,620
One year later	665,765	2,244,196	577,023	942,459	-
Two years later	529,812	1,841,025	438,303	-	-
Three years later	513,641	1,866,942	-	-	-
Four years later	530,113	-	-	-	-
Current estimate of cumulative claims	530,113	1,866,942	438,303	942,459	937,620
Cumulative payments to date	(459,866)	(1,763,418)	(392,882)	(707,737)	-
Liability recognized in statement of financial position	<u>70,247</u>	<u>103,524</u>	<u>45,421</u>	<u>234,722</u>	<u>937,620</u>
			<u>Note</u>	<u>2025</u>	<u>2024</u>
				(Rupees in thousand)	

27. Net commission and other acquisition income

Commission paid or payable	670,288	666,887
Add: Deferred commission expense - opening	289,134	187,675
Less: Deferred commission expense - closing	(283,256)	(289,134)
Net commission expense	676,166	565,428
Less: Commission received or recoverable	804,136	723,718
Add: Unearned reinsurance commission - opening	261,533	211,362
Less: Unearned reinsurance commission - closing	(266,371)	(261,533)
Commission from reinsurers	799,298	673,547
	<u>(123,132)</u>	<u>(108,119)</u>

28. Management expenses

Employee benefit cost	28.1	773,777	686,082
Travelling expenses		64,250	46,337
Advertisements and sales promotion		30,843	29,103
Printing and stationery		21,094	12,946
Depreciation	8.1	73,254	58,666
Depreciation right-of-use assets	8.2	42,379	34,582
Rent, rates and taxes		3,775	944
Electricity, gas and water		17,151	19,274
Entertainment		4,051	4,162
Vehicle running expenses		75,587	70,851
Office repairs and maintenance		10,548	14,075
Bank charges		1,883	1,700
Postages, telegrams and telephone		15,457	15,087
Annual supervision fee - SECP		9,963	9,109
Trackers expense		16,522	10,570
Fee and subscriptions	28.2 & 28.3	64,661	57,428
Insurance expense		7,558	6,958
Office expenses		19,736	15,297
Service charges - net		85,835	37,983
Miscellaneous	28.4	75,150	47,004
		<u>1,413,474</u>	<u>1,178,158</u>

28.1 Employee benefit cost

Salaries, allowances and other benefits		729,344	613,435
Charges for post employment benefit	28.1	44,433	72,647
		<u>773,777</u>	<u>686,082</u>

- 28.1.1** This includes Company's contribution to defined contribution plans amounting to Rs. 27,999 thousand (2024: Rs. 16,566 thousand).
- 28.2** This includes service charges amounting to Rs. 15,349 thousand (2024: Rs. 9,125 thousand) related to Shirazi Investments (Pvt.) Limited, a related party, for providing IT support services.
- 28.3** This includes portfolio management fee amounting to Rs. 9,026 thousand (2024: Rs. 4,946 thousand) related to Atlas Asset Management Limited, a related party, for the management of mandated investment portfolio.
- 28.4** These miscellaneous expenses includes hospitalization reimbursement expenses, training expenses and other miscellaneous expenses.

	<u>Note</u>	<u>2025</u> <u>(Rupees in thousand)</u>	<u>2024</u> <u>(Rupees in thousand)</u>
29. Investment income			
Income from equity securities			
Available for sale			
Dividend income		675,980	643,607
Income from debt securities			
Held to maturity			
Return on debt securities		278,356	337,936
Amortization of debt securities		16,168	7,611
Available for sale			
Interest on term finance certificate		2,640	4,358
		<u>973,144</u>	<u>993,512</u>
Net realized gains on investments			
Available for sale financial assets			
Realised gain on - equity securities		1,110,382	901,258
Total investment income		<u>2,083,526</u>	<u>1,894,770</u>
Less: Investment related expenses		(3,571)	(2,648)
		<u>2,079,955</u>	<u>1,892,122</u>
30. Other income			
From financing activities			
Return on bank balances		132,666	280,070
From non-financing activities			
Gain on sale of fixed assets	8.1.2	625	3,086
Gain on disposal of right-of-use assets	8.2	-	911
		<u>133,291</u>	<u>284,067</u>
31. Other expenses			
Legal and professional fee other than business related		3,486	9,391
Donations	31.1	44,307	41,426
Auditor's remuneration	31.2	7,564	6,204
Director's fee		3,750	3,750
WWF	23	68,412	162,374
Zakat expense		8	23
		<u>127,527</u>	<u>223,168</u>

- 31.1** This amount represents Rs. 44,307 thousand (2024: Rs. 41,426 thousand) donation to Atlas Foundation, a related party, situated at 2nd Floor, Federation House, Clifton, Karachi - 74000. The following Directors of the Company are members of its Board of Directors:

Name of Directors

Mr. Iftikhar H. Shirazi
Mr. Ali H. Shirazi
Mr. Frahim Ali Khan
Mr. M. Habib-ur-Rahman

With the exception of their directorship, the Directors and their spouses have no interest in the donee.

	2025	2024
	(Rupees in thousand)	
31.2 Auditor's remuneration		
Audit fee	3,177	2,888
Fee for audit of provident fund, gratuity funds and other certifications	2,906	1,733
Out of pocket expenses	1,481	1,583
	7,564	6,204
32. Finance costs		
Interest on lease liability	22,445	11,815
Exchange (loss) / gain	(2,190)	997
	20,255	12,812
33. Profit before tax from window takaful operations - Operator's fund		
Wakala fee	280,202	210,815
Commission expense	(111,895)	(70,398)
General, administrative and management expenses	(85,928)	(60,295)
Modarib's share of PTF investment income	22,431	36,454
Investment income	19,473	19,692
Direct expenses	(2,788)	(1,865)
Other income	1,243	1,889
Profit before tax	122,738	136,292
34. Taxation		
For the year		
Current		
- Conventional	1,308,358	1,243,746
- Window Takaful Operations - Operator's fund	48,146	54,288
Deferred		
- Relating to origination of temporary differences	(43,985)	(74,528)
- Window Takaful Operations - Operator's fund	(199)	(809)
For prior years		
Current		
- Conventional	4,321	(253)
	1,316,641	1,222,444
34.1 Relationship between tax expense and accounting profit		
Numerical reconciliation between the average effective tax rate and the applicable tax rate		
Accounting profit	3,393,428	3,111,206
Tax at the applicable rate of 39% (2024: 39%)	1,323,437	1,213,370
Tax effect of temporary differences	(44,184)	(75,337)
Prior years tax	4,321	(253)
Tax effect of Window Takaful Operations - Operator's fund	48,146	54,288
Tax effect of amounts deductible for tax purpose - net	(15,079)	30,376
	1,316,641	1,222,444

- 34.2** Applicable tax rate represents the tax rate applicable to Insurance Companies under Part-I of Fourth Schedule of the Income Tax Ordinance, 2001.

	<u>2025</u> <u>(Rupees in thousand)</u>	<u>2024</u> <u>(Rupees in thousand)</u>
35. Earnings (after tax) per share - basic and diluted		
Profit (after tax) for the year	2,076,787	1,888,762
	Number of shares (thousand)	
Weighted average number of ordinary shares of Rs. 10 each	149,416	149,416
	(Rupees)	
Earnings per share - (basic / diluted)	13.90	12.64

35.1 There is no dilution in basic earnings per share as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

36. Compensation of directors and executives

Aggregate amounts charged in the accounts for remuneration, including all benefits to Chief Executive Officer (CEO), Directors and Executives of the Company are as follows:

	<u>Chief Executive Officer</u>		<u>Directors</u>		<u>Executives</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Rupees in thousand)					
Fee	-	-	3,750	3,750	-	-
Managerial remuneration	36,529	29,224	-	-	226,814	177,443
Leave encashment paid	-	-	-	-	2,980	2,374
Bonus / profit commission paid	22,500	18,000	-	-	83,175	74,228
Contribution to defined benefit plan	1,324	1,059	-	-	10,445	6,260
Contribution to defined contribution plan	3,494	2,795	-	-	18,696	15,140
Rent and house maintenance	14,294	11,435	-	-	94,328	73,798
Utilities	3,176	2,541	-	-	20,293	15,836
Medical	228	857	-	-	14,480	11,352
Conveyance paid	-	-	-	-	9,861	10,191
Others	3,220	3,280	-	-	53,521	51,832
Total	<u>84,765</u>	<u>69,191</u>	<u>3,750</u>	<u>3,750</u>	<u>534,593</u>	<u>438,454</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>132</u>	<u>110</u>

36.1 Fees paid to 3 (2024: 3) Non-Executive Directors for attending meetings during the year amounts to Rs. 3,750 thousand (2024: Rs. 3,750 thousand). In addition, the CEO and some of the executives are also provided with use of the Company cars, in accordance with the policy of the Company.

36.2 Executives mean employees, other than the CEO and Directors, whose basic salary exceed five hundred thousand rupees in a financial year.

37. Provident fund trust

The Company has maintained an employee provident fund trust and investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the Rules formulated for this purpose. The salient information of the fund is as follow:

	<u>Note</u>	<u>2025</u> <u>(Unaudited)</u>	<u>2024</u> <u>(Audited)</u>
		(Rupees in thousand)	
Size of the fund		86,821	70,507
Percentage of investments made		96.02%	96.34%
Fair value of investments	35.1	85,476	69,898
Cost of investments made		83,362	67,926

37.1 Investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Act, 2017 and the rules formulated for this purpose. The break-up of investments is as follows:

<u>Breakup of investments at fair value</u>	<u>Investment as a % size of fund</u>		<u>Investments</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
			(Rupees in thousand)	
Government Securities	83%	76%	72,211	53,359
Listed securities and mutual funds	15%	23%	13,265	16,539
			85,476	69,898

The information for the financial year 2025 is based on unaudited financial statements of the provident fund.

38. Related party transactions

Related parties comprises of associated entities, entities under common control, entities with common directors, major shareholders, post employment benefit plans and key management personnel, inclusive of directors, and their close family members. Transactions with related parties are carried out on mutually agreed terms and conditions.

The investment balance in related parties have been disclosed in note 10 to these financial statements. Amounts due to / from and other significant transactions, other than those disclosed elsewhere in this financial statements, are as follows:

		<u>2025</u>	<u>2024</u>
		(Rupees in thousand)	
Parent Company	Year end balances		
	Provision for outstanding claims	1,376	1,750
	Due from insurance contract holders	2,771	11
	Transactions during the year		
	Premium underwritten	38,706	27,370
	Premium collected	42,218	32,705
	Claims paid	7,751	5,175
	Assets purchased	-	2,577
	IT support service charges paid	16,505	18,968
	Dividend paid	956,708	619,046
Associated Companies	Year end balances		
	Provision for outstanding claims	67,241	57,799
	Due from insurance contract holders	24,588	212,749
	Lease liability	2,549	4,501
	Transactions during the year		
	Premium underwritten	2,590,253	2,438,887
	Premium collected	3,089,664	2,831,819
	Claims paid	441,902	1,300,241
	Assets purchased	72,507	110,560
	Lease liability paid	2,496	2,269
	Expenses paid	10,839	7,426
	Dividends received	348,278	309,727
	Dividends paid	34,933	22,604
	Donations paid	31,112	28,226
Investments purchased	15,582	75,505	
Investments sold at sale price	-	467,500	
Finance cost charged	544	808	

		<u>2025</u>	<u>2024</u>
		(Rupees in thousand)	
Post employment benefit plans	Transactions during the year		
	Contributions in respect of post employment benefit plans	68,598	83,226
Key management personnel	Year end balances		
	Provision for outstanding claims	197	85
	Due from insurance contract holders	84	272
	Transactions during the year		
	Premium underwritten	175	1,253
	Premium collected	-	1,878
	Assets sold	1,499	6,657
	Claims paid	278	310
	Dividend paid	1,015	657

38.1 Following are the particulars of the related parties other than employee retirement benefit plans, key management personnel and Directors of the Company at the reporting date.

<u>Name of Related Party</u>	<u>Basis of relationship</u>
Shirazi Investments (Private) Limited	Parent Company
Atlas DID (Private) Limited	Group Company
Atlas GCI (Private) Limited	Group Company
Atlas Hitec (Private) Limited	Group Company
Atlas Honda Limited	Group Company
Atlas World Wide General Trading LLC	Group Company
Honda Atlas Cars (Pakistan) Limited	Group Company
Honda Atlas Power Product (Private) Limited	Group Company
ACME Investment Ltd. UAE	Common Directorship
Atlas Autos (Private) Limited	Common Directorship
Atlas Battery Limited	Common Directorship
Atlas Energy Limited	Common Directorship
Atlas Engineering (Private) Limited	Common Directorship
Atlas Foundation	Common Directorship
Atlas Global FZE	Common Directorship
Atlas Metals (Private) Limited	Common Directorship
Atlas Power Limited	Common Directorship
Atlas Solar Limited	Common Directorship
Atlas Venture Limited	Common Directorship
Cherat Packaging Ltd	Common Directorship
Infinity Capital Investments	Common Directorship
Oyster International Holdings Limited	Common Directorship
SF Global Holdings Limited	Common Directorship
Iftikhar Shirazi Family Trust	Common Directorship
Shirazi Trading Company (Private) Limited	Common Directorship
Atlas Asset Management Limited	Common Directorship
Oyster Re Brokers Limited	Common Directorship
Atlas Vocational Training Institute	Common Directorship
SFM Investment DMCC	Common Directorship
Provident Fund	Trust
Gratuity Fund	Trust

39. Segment reporting

The Company has identified four (2024: four) primary operating / business segments for reporting purposes in accordance with the requirements of the Insurance Ordinance, 2000, the Insurance Rules, 2017 and Insurance Accounting Regulations, 2017. These include fire and property damage, marine, aviation and transport, motor and miscellaneous class of operating / business segments. As per Insurance Rules, 2017, information for other segments under which business is less than 10%, is classified under miscellaneous class of operating / business segment.

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

	December 31, 2025				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	(Rupees in thousand)				
Premium receivable (inclusive of FIF, FED & Administrative surcharge)	3,166,952	2,045,505	1,540,290	1,467,075	8,219,822
Less: Federal Excise Duty	420,288	267,214	200,041	204,725	1,092,268
Less: Federal Insurance Fee	27,088	17,994	12,784	13,542	71,408
Gross written premium (inclusive of Administrative Surcharge)	<u>2,719,576</u>	<u>1,760,297</u>	<u>1,327,465</u>	<u>1,248,808</u>	<u>7,056,146</u>
Gross direct premium	2,658,007	1,734,369	1,230,750	1,240,874	6,864,000
Facultative inward premium	52,568	2,008	80,363	-	134,939
Administrative surcharge	9,001	23,920	16,352	7,934	57,207
	<u>2,719,576</u>	<u>1,760,297</u>	<u>1,327,465</u>	<u>1,248,808</u>	<u>7,056,146</u>
Insurance premium earned	2,638,678	1,802,516	1,194,134	1,192,975	6,828,303
Insurance premium ceded to reinsurers	<u>(1,980,240)</u>	<u>(558,487)</u>	<u>(170,285)</u>	<u>(575,697)</u>	<u>(3,284,709)</u>
Net insurance premium	658,438	1,244,029	1,023,849	617,278	3,543,594
Commission income	459,533	149,085	68,985	121,695	799,298
Net underwriting income	<u>1,117,971</u>	<u>1,393,114</u>	<u>1,092,834</u>	<u>738,973</u>	<u>4,342,892</u>
Insurance claims	<u>(688,137)</u>	<u>(365,171)</u>	<u>(544,154)</u>	<u>(594,037)</u>	<u>(2,191,499)</u>
Insurance claims recovered from reinsurers	<u>647,135</u>	<u>261,303</u>	<u>55,695</u>	<u>173,660</u>	<u>1,137,793</u>
Net claims	(41,002)	(103,868)	(488,459)	(420,377)	(1,053,706)
Commission expense	(405,122)	(71,854)	(97,995)	(101,195)	(676,166)
Management expenses	(538,385)	(348,540)	(279,289)	(247,260)	(1,413,474)
Premium deficiency	-	-	-	5,680	5,680
Net insurance claims and expenses	<u>(984,509)</u>	<u>(524,262)</u>	<u>(865,743)</u>	<u>(763,152)</u>	<u>(3,137,666)</u>
Underwriting results	<u>133,462</u>	<u>868,852</u>	<u>227,091</u>	<u>(24,179)</u>	<u>1,205,226</u>
Investment income					2,079,955
Other income					133,291
Other expenses					(127,527)
Finance cost					(20,255)
Profit before tax from Window Takaful Operations - Operator's fund					122,738
Profit before tax					<u>3,393,428</u>
Segment assets - Conventional	1,509,211	977,030	736,591	693,127	3,915,959
Segment assets - Takaful OPF	95,146	43,224	236,345	93,614	468,329
Segment assets - Takaful PTF	54,638	24,746	135,366	414,352	629,102
Unallocated assets - Conventional					17,890,286
Unallocated assets - Takaful OPF					221,757
Unallocated assets - Takaful PTF					1,240,880
Total assets					<u>24,366,313</u>
Segment liabilities - Conventional	2,286,809	1,480,434	1,116,110	1,050,246	5,933,599
Segment liabilities - Takaful OPF	26,314	11,938	65,361	180,382	283,995
Segment liabilities - Takaful PTF	168,583	76,537	418,921	882,668	1,546,709
Unallocated liabilities - Conventional					5,253,966
Unallocated liabilities - Takaful OPF					39,129
Unallocated liabilities and fund balance - Takaful PTF					323,273
Total liabilities					<u>13,380,671</u>

December 31, 2024

	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Total
	(Rupees in thousand)				
Premium receivable (inclusive of FIF, FED & Administrative surcharge)	3,333,539	1,642,636	1,332,395	1,183,841	7,492,411
Less: Federal Excise Duty	376,208	196,215	168,948	145,604	886,975
Less: Federal Insurance Fee	24,954	14,077	10,929	10,042	60,002
Gross written premium (inclusive of Administrative Surcharge)	<u>2,932,377</u>	<u>1,432,344</u>	<u>1,152,518</u>	<u>1,028,195</u>	<u>6,545,434</u>
Gross direct premium	2,844,857	1,409,225	1,060,255	1,012,691	6,327,028
Facultative inward premium	79,383	140	79,383	9,621	168,527
Administrative surcharge	8,137	22,979	12,880	5,883	49,879
	<u>2,932,377</u>	<u>1,432,344</u>	<u>1,152,518</u>	<u>1,028,195</u>	<u>6,545,434</u>
Insurance premium earned	2,970,569	1,423,403	1,126,054	888,952	6,408,978
Insurance premium ceded to reinsurers	<u>(2,373,659)</u>	<u>(473,541)</u>	<u>(188,262)</u>	<u>(489,208)</u>	<u>(3,524,670)</u>
Net insurance premium	596,910	949,862	937,792	399,744	2,884,308
Commission income	395,146	126,245	78,207	73,949	673,547
Net underwriting income	<u>992,056</u>	<u>1,076,107</u>	<u>1,015,999</u>	<u>473,693</u>	<u>3,557,855</u>
Insurance claims	<u>(320,736)</u>	<u>(242,016)</u>	<u>(376,292)</u>	<u>(619,291)</u>	<u>(1,558,335)</u>
Insurance claims recovered from reinsurers	303,153	170,112	60,702	247,151	781,118
Net claims	(17,583)	(71,904)	(315,590)	(372,140)	(777,217)
Commission expense	(351,567)	(71,335)	(76,210)	(66,316)	(565,428)
Management expenses	(523,079)	(255,468)	(216,182)	(183,429)	(1,178,158)
Premium deficiency	-	-	-	(2,347)	(2,347)
Net insurance claims and expenses	<u>(892,229)</u>	<u>(398,707)</u>	<u>(607,982)</u>	<u>(624,232)</u>	<u>(2,523,150)</u>
Underwriting results	<u>99,827</u>	<u>677,400</u>	<u>408,017</u>	<u>(150,539)</u>	<u>1,034,705</u>
Net investment income					1,892,122
Other income					284,067
Other expenses					(223,168)
Finance cost					(12,812)
Profit before tax from Window Takaful Operations - OPF					136,292
Profit before tax					<u>3,111,206</u>
Segment assets - Conventional	1,551,041	757,518	609,684	543,902	3,462,145
Segment assets - Takaful OPF	95,767	51,220	202,306	51,108	400,401
Segment assets - Takaful PTF	29,256	15,583	61,554	273,370	379,763
Unallocated assets - Conventional					14,048,091
Unallocated assets - Takaful OPF					179,412
Unallocated assets - Takaful PTF					1,019,921
Total assets					<u>19,489,733</u>
Segment liabilities - Conventional	2,649,163	1,293,832	1,041,334	928,981	5,913,310
Segment liabilities - Takaful OPF	16,065	8,580	33,932	98,159	156,736
Segment liabilities - Takaful PTF	163,108	87,189	344,565	513,364	1,108,226
Unallocated liabilities - Conventional					3,722,773
Unallocated liabilities - Takaful OPF					129,844
Unallocated liabilities - Takaful PTF					291,458
Total liabilities					<u>11,322,347</u>

As the operations of the Company are only carried out in Pakistan, information relating to geographical segment is not considered relevant.

	Held to maturity	Available for sale	Total
	(Rupees in thousand)		
40. Movement in investments			
As at beginning of previous year	1,517,296	5,289,304	6,806,600
Additions	3,078,048	2,404,423	5,482,471
Disposals (sales and redemptions)	(2,859,219)	(1,334,005)	(4,193,224)
Fair value net losses (excluding net realised losses)	-	3,804,476	3,804,476
Unwinding on debt securities	74,429	-	74,429
As at beginning of current year	1,810,554	10,164,198	11,974,752
Additions	6,063,124	849,369	6,912,493
Disposals (sales and redemptions)	(5,069,556)	(1,274,010)	(6,343,566)
Fair value net gains (excluding net realised gains)	-	3,300,861	3,300,861
Unwinding on debt securities	207,957	-	207,957
As at end of current year	3,012,079	13,040,418	16,052,497
41. Fair value measurement of financial instruments - IFRS 9			

Following is the fair value of financial assets as on December 31, 2025 under IFRS 9 classifications and the change in their fair value during the year ended December 31, 2025:

	Financial instruments with contractual cash flows that meet the SPPI criteria, excluding those held for trading			Other financial instrument
	Amortized cost*	Fair value through OCI	Total	
	(Rupees in thousand)			
Pakistan Investment Bonds				
Opening fair value - December 31, 2024	846,611	-	846,611	-
Unwinding on debt securities	16,168	-	16,168	-
Disposals	(384,556)	-	(384,556)	-
Closing fair value - December 31, 2025	478,223	-	478,223	-
Treasury Bills				
Opening fair value - December 31, 2024	963,943	-	963,943	-
Additions	6,063,124	-	6,063,124	-
Unwinding on debt securities	191,789	-	191,789	-
Disposals	(4,685,000)	-	(4,685,000)	-
Closing fair value - December 31, 2025	2,533,856	-	2,533,856	-
Term Finance Certificates				
Opening fair value - December 31, 2024	-	20,000	20,000	-
Closing fair value - December 31, 2025	-	20,000	20,000	-
Shares in listed / unlisted equity securities				
Opening fair value - December 31, 2024	-	-	-	9,464,551
Additions	-	-	-	833,688
Increase in fair value - net	-	-	-	3,062,080
Disposals	-	-	-	(1,274,010)
Closing fair value - December 31, 2025	-	-	-	12,086,309
Mutual fund investments				
Opening fair value - December 31, 2024	-	-	-	679,647
Additions	-	-	-	15,681
Increase in fair value - net	-	-	-	238,781
Closing fair value - December 31, 2025	-	-	-	934,109

The fair value of the remaining financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate. These include insurance debtors and other short term receivables amounting to Rs. 3,019,714 thousand (2024: Rs. 2,795,083 thousand) and balances with banks amounting to Rs. 1,179,328 thousand (2024: Rs. 1,531,222 thousand), respectively.

42. Risk management

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholder from the events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognizes the critical importance of having efficient and effective risk management system in place.

The Company's risk management function is carried out by the Board of Directors (the Board), with its associated committees. This is supplemented with a clear organizational structure with documented delegated authorities and responsibilities from the Board to the CEO and senior managers.

The Board meets regularly to approve any commercial, regulatory and organizational decisions. The CEO under the authority delegated from the Board defines the Company's risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirement.

The risk faced by the Company and the way these risks are mitigated by management are summarized below:

a) Financial risk, categorized into;	Note
- Credit risk	42.1.1
- Liquidity risk	42.1.2
- Market risk	42.1.3
b) Capital adequacy risk	42.2
c) Insurance risk	42.3

42.1 Financial risk

The Company's activities exposes it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest / mark-up rate risk and price risk).

The Company's principal financial risk instruments are financial investments, receivables arising from insurance and reinsurance contracts, statutory deposits and cash and cash equivalents. The Company does not enter into any derivative transactions.

The Company's financial risk focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Financial risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

42.1.1 Credit risk

- a) Credit worthiness of counter party;
- b) Aging analysis of counter party.

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

	Note	2025	2024
		(Rupees in thousand)	
Financial assets			
Bank balances	15	1,179,328	1,531,222
Investments	10 & 11	16,052,497	11,974,752
Amount due from insurance contract holders	13	409,110	351,196
Amount due from other insurers / reinsurers	13	816,836	507,071
Reinsurance recoveries against outstanding claims	25	977,356	1,153,298
Loans and other receivables	12	129,159	206,538
		<u>19,564,286</u>	<u>15,724,077</u>

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

<u>Banks</u>	<u>Rating</u>		<u>Rating Agency</u>	<u>2025</u>	<u>2024</u>
	<u>Short-term</u>	<u>Long-term</u>		<u>(Rupees in thousand)</u>	
Bank Alfalah Limited	A1+	AAA	PACRA	225,969	473,305
Bank Al Habib Limited	A1+	AAA	PACRA	142,573	111,919
Faysal Bank Limited	A1+	AA	PACRA	84,837	33,778
United Bank Limited	A-1+	AAA	VIS	425,216	415,440
FINCA Microfinance Bank Limited	A2	A-	PACRA	4	16
Habib Bank Limited	A-1+	AAA	VIS	87,292	64,174
MCB Bank Limited	A1+	AAA	PACRA	202,331	415,088
NRSP Microfinance Bank Limited	A2	A-	PACRA	2	17
Sindh Bank Limited	A-1+	AA	VIS	1	26
Soneri Bank Limited	A1+	AA-	PACRA	1,926	3,468
JS Bank Limited	A1+	AA	VIS	2,549	-
Allied Bank Limited	A1+	AAA	PACRA	2,741	-
Bank Makramah Limited	Unrated	Unrated	N/A	3,887	13,991
				<u>1,179,328</u>	<u>1,531,222</u>

The management monitors exposure to credit risk in premium receivable arising from insurance and reinsurance contracts, through regular review of credit exposure and prudent estimates of provision for doubtful receivables. The provision for doubtful receivables amounting to Rs. 4,818 thousands (2024: Rs. 4,818 thousands) is shown in note 13.1 and 13.2. The figures shown below are exclusive of any provisions made during the year. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in entities of sound financial standing, covering various industrial sector segments.

42.1.1.2 The aging analysis of premium due but unpaid can be assessed with the following:

	<u>2025</u>			<u>2024</u>		
	<u>Related parties</u>	<u>Others</u>	<u>Total</u>	<u>Related parties</u>	<u>Others</u>	<u>Total</u>
	<u>(Rupees in thousand)</u>					
Up to 1 year	27,493	381,667	409,110	213,032	138,164	351,196
Past 1 but less than 3 years	-	-	-	-	-	-
Less: provision	-	(2,859)	(2,859)	-	(2,859)	(2,859)
	<u>27,443</u>	<u>378,808</u>	<u>406,251</u>	<u>213,032</u>	<u>135,305</u>	<u>348,337</u>

42.1.1.3 The credit quality of amount due from other insurers / reinsurers and reinsurance recoveries against outstanding claims can be assessed with reference to external ratings as follows:

	<u>Amount due from other insurers / reinsurers</u>	<u>Reinsurance recoveries against outstanding claims</u>	<u>Total</u>
	<u>(Rupees in thousand)</u>		
As at December 31, 2025			
BB+ or above (including PRCL)	816,836	977,356	1,794,192
	<u>816,836</u>	<u>977,356</u>	<u>1,794,192</u>
As at December 31, 2024			
BB+ or above (including PRCL)	507,071	1,153,298	1,660,369
	<u>507,071</u>	<u>1,153,298</u>	<u>1,660,369</u>

The credit risk of reinsurance recoveries against outstanding claims can be assessed with the following age analysis, estimated in a manner consistent with the provision for outstanding claims, in accordance with the reinsurance contracts:

The age analysis of reinsurance against outstanding claims is shown below:

	2025		2024	
	Reinsurance recoveries against outstanding claims	Provision for outstanding claims including IBNR	Reinsurance recoveries against outstanding claims	Provision for outstanding claims including IBNR
	(Rupees in thousand)			
Up to 1 year	610,790	959,459	693,049	1,014,223
1-2 years	123,323	234,772	180,695	259,678
2-3 years	39,703	45,411	173,135	202,091
Over 3 years	203,540	234,810	106,419	126,593
	<u>977,356</u>	<u>1,474,452</u>	<u>1,153,298</u>	<u>1,602,585</u>

42.1.2 Liquidity risk

Liquidity risk is the risk that the Company shall not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of adequate funds through committed credit facilities. The Company finances its operations through equity and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

On the statement of financial position date, the Company has cash and bank deposits and readily marketable securities with insignificant change in value of Rs. 1,179,328 thousand (2024: Rs. 1,531,222 thousand) and Rs. 13,020,418 thousand (2024: Rs. 10,144,198 thousand) respectively.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2025			
	On demand	Maturity up to one year	Maturity after one year	Total
	(Rupees in thousand)			
Provision for outstanding claims	-	1,474,452	-	1,474,452
Amounts due to other insurers / reinsurers	-	608,913	-	608,913
Other creditors and accruals	-	1,583,609	-	1,583,609
Lease liabilities	-	34,019	168,917	202,936
	<u>-</u>	<u>3,700,993</u>	<u>168,917</u>	<u>3,869,910</u>
	2024			
	On demand	Maturity up to one year	Maturity after one year	Total
	(Rupees in thousand)			
Provision for outstanding claims	-	1,602,585	-	1,602,585
Amounts due to other insurers / reinsurers	-	664,922	-	664,922
Other creditors and accruals	-	1,695,660	-	1,695,660
Lease liabilities	-	19,442	48,861	68,303
	<u>-</u>	<u>3,982,609</u>	<u>48,861</u>	<u>4,031,470</u>

42.1.2.1 Changes in liabilities arising from financing activities

		Opening	Cashflows	Other	Closing
		(Rupees in thousand)			
Lease liabilities	2025	<u>68,303</u>	<u>(55,973)</u>	<u>190,606</u>	<u>202,936</u>
Lease liabilities	2024	<u>76,182</u>	<u>(48,340)</u>	<u>40,461</u>	<u>68,303</u>

42.1.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as interest rates, foreign exchange rates and equity prices.

The Company is exposed to market risk with respect to its bank balances, deposits and investments.

The Company limits market risk by maintaining a diversified portfolio of money market and equity market and by continuous monitoring of developments in respective markets. The company has formulated a liquidity-risk based investment policy approved by the Board of Directors which contains various guidelines for investment of surplus funds in money market and equity market.

42.1.3.1 Interest rate risk

Interest rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instrument exposes the Company to fair value interest risk.

Sensitivity to interest rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

At the statement of financial position date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective interest rate %	Effective interest rate %	Carrying amounts		Carrying amounts	
			Maturity up to one year	Maturity after one year	Maturity up to one year	Maturity after one year
	2025	2024	2025	2024	2025	2024
(Rupees in thousand)						
Financial assets						
Bank balances	2.98% to 11.50%	2.51% to 20.69%	1,179,328	1,531,222	-	-
			<u>1,179,328</u>	<u>1,531,222</u>	<u>-</u>	<u>-</u>
Investments						
TFC's	11.98% to 13.40%	13.54% to 23.24%	-	-	20,000	20,000
PIB's	10.50% to 14.00%	10.50% to 14.00%	344,101	-	134,122	846,611
T.Bills	10.79% to 20.84%	16.80% to 22.75%	2,533,856	963,943	-	-
			<u>2,877,957</u>	<u>963,943</u>	<u>154,122</u>	<u>866,611</u>

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in interest rate will not affect fair value of any financial instrument. For cash flow sensitivity analysis of variable rate instruments a hypothetical change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Increase by 100 bps	Decrease by 100 bps
(Rupees in thousand)		
Impact on profit and loss account		
As at December 31, 2025		
Cash flow sensitivity-variable rate financial assets	<u>1,327</u>	<u>(1,327)</u>
As at December 31, 2024		
Cash flow sensitivity-variable rate financial assets	<u>2,801</u>	<u>(2,801)</u>

42.1.3.2 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest / mark-up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Company is exposed to price risk since it has investments amounting to Rs. 16,052 million (2024: Rs. 11,975 million) at the statement of financial position date. However the Company has no significant concentration of price risk.

The carrying amount of investments subject to price risk are based on quoted market prices as of the statement of financial position date including available for sale equity in accordance with the requirements of the S.R.O.88 issued by the SECP, in February 2017.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favorable.

42.1.3.2.1 Sensitivity analysis

The table below summarizes Company's equity price risk as of December 31, 2025 and December 31, 2024 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios.

The impact of hypothetical change on held for trading portfolio would be as follows:

		Fair value	Hypothetical price change	Estimated fair value after hypothetical changes in price	Profit after tax	Effect on shareholders' equity
(Rupees in thousand)						
December 31, 2025	Available for sale	13,020,418	10% increase	14,322,460	-	794,246
			10% decrease	11,718,376	-	(794,246)
December 31, 2024	Available for sale	10,144,198	10% increase	11,158,618	-	618,796
			10% decrease	9,129,778	-	(618,796)

42.1.3.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company's exposure to exchange rate fluctuation risk is insignificant.

42.1.3.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of all financial assets and financial liabilities approximate their fair values except for certain debt instruments held. The fair values of financial instruments are disclosed in note 42 to these financial statements.

42.2 Capital adequacy risk

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

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

The Company's current paid-up capital is in accordance with the limit prescribed by the SECP vide SRO 89 (1)/2017.

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.

42.3 Insurance risk

The Company's insurance activities are primarily concerned with the pricing, acceptance and management of risks from its customers. In accepting risks the Company is committing to the payment of claims and therefore these risks must be understood and controlled. Disciplined underwriting, encompassing risk assessment, risk management, pricing and exposure control is critical to the Company's success. The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The Company is facing three kinds of risk in its insurance activities, namely;

- Premium Risk	42.3.1
- Claim Risk	42.3.2
- Reinsurance Risk	42.3.3

42.3.1 Premium Risk

The underwriting strategy aims to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. Pricing is generally based upon risk quality, historical claims frequencies, claims averages, adjusted for inflation and imposition of deductibles. Risk inspections surveys are also conducted before acceptance of larger risks. Underwriting limits and guidelines are in place to enforce appropriate risk selection criteria.

The Company manages the insurance risk arising from the geographical concentration of risk with the help of various MIS reports generated from the IT system. For this purpose all critical underwriting information including address lookups and geocoding is punched into the IT system. For example, for catastrophic aggregates, the IT system assigns precise codes with reference to the accumulation of sum insured in force at any particular location against natural perils. For marine, aviation and transport risks, complete underwriting details, besides sums insured and premiums, like vessel identification, voyage input (sea/air/inland transit), sailing dates, origin and destination of the shipments, per carry limits, etc. are fed into the IT system.

The Company also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

42.3.1.1 The following table demonstrates the class wise concentration of risk on the basis of sum insured:

	Gross sum insured		Net sum insured	
	2025	2024	2025	2024
			(Rupees in thousand)	
Fire and property damage	33%	33%	8%	6%
Marine, aviation and transport	37%	47%	83%	87%
Motor	2%	2%	6%	5%
Miscellaneous	28%	18%	3%	2%
	100%	100%	100%	100%

42.3.2 Claim Risk

One of the purposes of insurance is to enable policyholders to protect themselves against uncertain future events. Insurance companies accept the transfer of uncertainty from policyholders and seek to add value through the aggregation and management of these risks. The uncertainty inherent in insurance is inevitably reflected in the financial statements of insurance companies and can be characterized under a number of specific headings, such as;

- Uncertainty as to whether an event has occurred which would give rise to an insured loss.
- Uncertainty as to the extent of policy coverage and limits applicable.
- Uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring.
- Uncertainty over the timing of a settlement to a policyholder for a loss suffered.

Therefore the objective of the Company is to ensure that sufficient reserves are available to cover these uncertainties and in case of any change in estimation due to further development on uncertainty or change on assumptions, the Company account for that change immediately.

Claims provisions are determined based upon previous claims experience, the knowledge of events and the terms and conditions of the relevant policies and on interpretation of circumstances. Particularly relevant is experience with similar cases and historical claims payment trends. It should be emphasized that corroborative evidence obtained from as wide a range of sources as possible also contribute to form the overall estimate. Large claims impacting each relevant business class are generally assessed separately, being measured at the face value of the surveyor's estimates.

Company has reasonably accounted for claims that have occurred by the end of the reporting period but remain unsettled and for those that may have occurred but have not yet been notified to the company and those that are not yet apparent to the insured. The Company's policy for accounting of its claims has been disclosed in note 6.18 to the financial statements.

Sensitivity analysis

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

As the Company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on underwriting results and on shareholder's equity due to 10% change in claim expense.

	Underwriting results		Shareholders' Equity	
	2025	2024	2025	2024
	(Rupees in thousand)			
Fire and property damage	(4,100)	(1,758)	(2,501)	(1,072)
Marine, aviation and transport	(10,387)	(7,190)	(6,336)	(4,386)
Motor	(48,846)	(31,559)	(29,796)	(19,251)
Miscellaneous	(42,038)	(37,214)	(25,643)	(22,701)
	<u>(105,371)</u>	<u>(77,721)</u>	<u>(64,276)</u>	<u>(47,410)</u>

42.3.3 Reinsurance risk

The Company purchases reinsurance as part of its risks mitigation program. Reinsurance ceded is placed on both proportional and non-proportional basis. The majority of proportional reinsurance is quota share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess of loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess of loss reinsurance vary by product line. The Company also arranges the local and foreign facultative reinsurance as part of its risk management strategy.

43. Fair value measurement of financial instruments

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

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

Note	Carrying amount						Total
	Available for sale	Fair value through profit or loss account	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	
(Rupees in thousand)							
December 31, 2025							
Financial assets - measured at fair value							
Investment - Equity	10	13,020,418	-	-	-	-	13,020,418
Investment - Debt securities	11	20,000	-	-	-	-	20,000
		<u>13,040,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,040,418</u>
Financial assets - not measured at fair value							
Investment - Debt securities	11	-	3,012,079	-	-	-	3,012,079
Loans and other receivables*	12	-	-	129,159	-	-	129,159
Insurance / reinsurance receivables - unsecured and considered good*	13	-	-	1,221,128	-	-	1,221,128
Reinsurance recoveries against outstanding claims*	25	-	-	977,356	-	-	977,356
Cash and bank*	15	-	-	-	1,179,328	-	1,179,328
Total assets of Window Takaful Operations - Operator's fund*		-	-	690,086	-	-	690,086
		<u>-</u>	<u>3,012,079</u>	<u>3,017,729</u>	<u>1,179,328</u>	<u>-</u>	<u>7,209,136</u>

Note	Carrying amount						Total
	Available for sale	Fair value through profit or loss account	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	
	(Rupees in thousand)						
December 31, 2025							
Financial liabilities - not measured at fair value							
Underwriting provisions:							
Outstanding claims including IBNR*	25	-	-	-	-	1,474,452	1,474,452
Insurance / reinsurance payables*	21	-	-	-	-	608,913	608,913
Other creditors and accruals*	22	-	-	-	-	1,583,609	1,583,609
Total liabilities of Window Takaful Operations - Operator's fund*		-	-	-	-	323,124	323,124
		-	-	-	-	3,990,098	3,990,098

* The fair value of these financial assets and liabilities are not significantly different from their carrying amounts since these assets are either short term in nature or are frequently repriced to market rate.

	Fair value			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets - measured at fair value				
Investment - Equity	13,020,418	-	-	13,020,418
Investment - Debt securities	-	20,000	-	20,000
	13,020,418	20,000	-	13,040,418
Financial assets - not measured at fair value				
Investment - Debt securities	-	3,012,079	-	3,012,079
Loans and other receivables	-	-	-	-
Insurance / reinsurance receivables - unsecured and considered good	-	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	-
Cash and bank	-	-	-	-
Total assets of Window Takaful Operations - Operator's fund	-	3,012,079	-	3,012,079
Financial liabilities - not measured at fair value				
Underwriting provisions:				
Outstanding claims including IBNR	-	-	-	-
Insurance / reinsurance payables	-	-	-	-
Other creditors and accruals	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's fund	-	-	-	-
	-	-	-	-

Note	Carrying amount						Total
	Available for sale	Fair value through profit or loss account	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	
	(Rupees in thousand)						
December 31, 2024							
Financial assets - measured at fair value							
Investment - Equity	10	10,144,198	-	-	-	-	10,144,198
Investment - Debt Securities	11	20,000	-	-	-	-	20,000
		10,164,198	-	-	-	-	10,164,198
Financial assets - not measured at fair value							
Investment - Debt Securities	11	-	1,810,554	-	-	-	1,810,554
Loans and other receivables*	12	-	-	206,538	-	-	206,538
Insurance / reinsurance receivables - unsecured and considered good*	13	-	-	853,449	-	-	853,449
Reinsurance recoveries against outstanding claims*	25	-	-	1,153,298	-	-	1,153,298
Cash and bank*	15	-	-	-	1,531,222	-	1,531,222
Total assets of Window Takaful Operations - Operator's fund*		-	-	579,813	-	-	579,813
		-	1,810,554	2,793,098	1,531,222	-	6,134,874

Note	Carrying amount						Total
	Available for sale	Fair value through profit or loss account	Held to maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	
(Rupees in thousand)							
December 31, 2024							
Financial liabilities - not measured at fair value							
Underwriting provisions:							
Outstanding claims including IBNR*	25	-	-	-	-	1,602,585	1,602,585
Insurance / reinsurance payables*	21	-	-	-	-	664,922	664,922
Other creditors and accruals*	22	-	-	-	-	1,695,660	1,695,660
Total liabilities of Window Takaful Operations- Operator's fund*		-	-	-	-	286,580	286,580
		-	-	-	-	4,249,747	4,249,747

* The fair value of these financial assets and liabilities are not significantly different from their carrying amounts since these assets are either short term in nature or are frequently repriced to market rate.

	Fair value			Total
	Level 1	Level 2	Level 3	
(Rupees in thousand)				
Financial assets - measured at fair value				
Investment - Equity	10,144,198	-	-	10,144,198
Investment - Debt Securities	-	20,000	-	20,000
	10,144,198	20,000	-	10,164,198
Financial assets - not measured at fair value				
Investment - Debt Securities	-	1,810,334	-	1,810,554
Investment - Term deposit	-	-	-	-
Loans and other receivables	-	-	-	-
Insurance / reinsurance receivables	-	-	-	-
Insurance / reinsurance receivables - unsecured and considered good	-	-	-	-
Reinsurance recoveries against outstanding claims	-	-	-	-
Cash and bank	-	-	-	-
	-	1,810,334	-	1,810,554
Financial liabilities - not measured at fair value				
Underwriting provisions:				
Outstanding claims including IBNR*	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-
Other creditors and accruals*	-	-	-	-
Total liabilities of Window Takaful Operations- Operator's fund*	-	-	-	-
	-	-	-	-

2025
(Rupees in thousand)

44. Statement of solvency

Assets

Property and equipment	527,730
Investments	
Equity securities	13,020,418
Debt securities	3,032,079
Loans and other receivables	129,159
Insurance / reinsurance receivables	1,221,128
Reinsurance recoveries against outstanding claims	977,356
Salvage recoveries accrued	1,985
Deferred commission expense / acquisition cost	283,256
Prepayments	1,433,806
Cash and bank	1,179,328
Total assets from window takaful operations - Operator's fund	21,806,245
Total assets from window takaful operations - Participants' fund	690,086
Total Assets (A)	24,366,313

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

(d)	Loans and advances to employees	8,565
(g)	Due from any body related to the insurer	67,292
(h)	Insurance / reinsurance receivables	1,043,192
(l)	Assets subject to encumbrances	513,969
(u)	Vehicles, furniture and fixtures, office equipment and computers equipment	315,969
(v)	Investment in shares, mutual funds and property	5,330,061
(d), (g), (j) and (u)	Assets from Window Takaful Operations - Operator's fund	397,644
(h)	Assets from Window Takaful Operations - Participants' fund	112,213

Total of in-admissible assets (B)

7,788,905

Total admissible assets (C=A-B)

16,577,408

Total liabilities

Underwriting provisions	1,474,452
Outstanding claims including IBNR	2,431,410
Unearned premium reserves	266,371
Unearned reinsurance commission	4,688
Retirement benefit obligations	3,610,584
Deferred taxation	638,484
Premium received in advance	202,936
Lease liabilities	608,913
Insurance / reinsurance payable	1,583,609
Other creditors and accruals	366,118
Taxation - provision less payment	11,187,565

Total liabilities from Window Takaful Operations - Operator's fund

323,124

Total liabilities from Window Takaful Operations - Participants' fund

1,554,491

Total liabilities (D)

13,065,180

Total net admissible assets (E=C-D)

3,512,228

Minimum Solvency Requirement (higher of the following)

778,192

Method A - U/s 36(3)(a)

150,000

Method A - U/s 36(3)(b)

778,192

Method A - U/s 36(3)(c)

474,147

Excess in net admissible assets over minimum requirements

2,734,036

- 44.1** The value of assets has been determined in accordance with the Company's accounting policies for such assets and the method of assigning values to investments provided for in the Insurance Accounting Regulations, 2017, while the value of admissible assets has been limited to the amount to which these are admissible under the Insurance Ordinance, 2000, Insurance Rules, 2017 and Insurance Accounting Regulations, 2017.

45. Subsequent events

The Board of Directors of the Company in its meeting held on February 26, 2026 has proposed a final cash dividend of Rs. 6.0 per share (2024: Rs. 6.0 per share) in respect of the year ended December 31, 2025. Furthermore, Rs. 806,000 thousand (2024: Rs. 615,000 thousand) were also approved for transfer to general reserves from the unappropriated profit of the Company. The appropriation will be approved by the members in the forthcoming Annual General Meeting. These financial statements do not include the effect of these appropriations which will be accounted for subsequent to the year end.

46. Number of employees

The number of employees as at year end 263 (2024: 240) and average number of employees during the year was 252 (2024: 237).

47. Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons. However, no significant reclassifications made during the current year except otherwise stated in these financial statements.

48. Date of authorization for issue

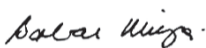
These financial statements were authorised for issue on February 26, 2026 by the Board of Directors of the Company.

49. General

Figures have been rounded off to nearest thousand of rupees, unless otherwise stated.



Muhammad Aasim Gul
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Iftikhar H. Shirazi
Chairman

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تكاافل

TAKAFUL

 **Atlas Insurance**
Window Takaful Operations
Annual Report 2025

SHARIAH ADVISOR'S REPORT TO THE BOARD OF DIRECTORS

For the year ended December 31, 2025

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
اللَّهُ رَبُّ الْعَالَمِينَ وَ الصَّلَاةُ وَالسَّلَامُ عَلَى سَيِّدِ الْأَنْبِيَاءِ وَ الْمُرْسَلِينَ
وَ بَعْدُ

I have reviewed the Takaful products including all related documents, as well as, the Participant Takaful Fund Policy, Investment Policy, Re-Takaful arrangements and the related transactions of Atlas Insurance Limited - Window Takaful Operations (hereafter referred to as "Takaful Operator") for the year ended December 31, 2025.

It is the responsibility of the Takaful Operator to ensure that the rules, principles and guidelines set by the Shariah Advisor and Takaful Rules 2012 are complied with, and that all products and policies are duly approved by the Shariah Advisor.

My responsibility is to approve the products and policies, and express an opinion that the financial arrangements, Re-Takaful arrangements, contracts and transactions entered into by the Takaful Operator with its participants and stakeholders are in accordance with the requirements of Shariah rules and principles.

The primary objective of Shariah Advisor's report is to inform about the Takaful Operator's compliance with Shariah Guidelines, including the transactions undertaken by the Takaful Operator during the year and express his opinion on transactions and operational aspects of Window Takaful Operations.

Progress of the Year:

During the period under review; Atlas Insurance Limited - Window Takaful Operations has achieved significant successes, details of which are as follows:

1. Alhamdulillah, Atlas Insurance Limited - Window Takaful Operations has retained its position as one of the prominent General Takaful Operator of the country.
2. Under the guidance of undersigned and after getting Shariah approval, Takaful Operator has developed and offered various types of Takaful coverage products to its Customers/Participants.
3. Divisions and Branches of the company have fully participated in the business growth of Takaful from different locations of the country.
4. Significant success has been achieved in the Takaful coverage agreements with Islamic Banks for their leasing & financing portfolios. At this stage, I am also thankful to the Partners Banks for the confidence they have shown on Atlas Insurance Limited-WTO's Takaful Products and Services.

Shariah Certification:

I confirm that in my opinion and to the best of my understanding based on the provided information and explanations:

- i. transactions undertaken and the Takaful business written by the Takaful Operator for the year ended 31 December 2024 were in accordance with guidelines issued by Shariah Advisor as well as requirements of Takaful Rules 2012;
- ii. for the investment purpose of Takaful Funds, a Shari'ah Compliant Investment Policy has been drafted with the consultation of undersigned and the investments have been done from the Operator's Fund & Participant Takaful Fund into Shariah Compliant avenues, including Islamic Banks and Islamic Mutual Funds, with prior Shariah approval. Further, all bank accounts related to Window Takaful Operations have been opened in Islamic Banking Institutions (IBIs) with Shariah Advisor's approval which are completely separate from the conventional insurance business;
- iii. transactions and activities of Window Takaful Operations are in accordance with the Shariah principles in respect of the Participants Takaful Fund (Waqf Fund) and Operator's Fund (OF);

While concluding; I state that the Shari'ah principles were followed in every aspect of practical implementation of Atlas Insurance Limited-WTO during the year. I am grateful to the Board of Directors of Atlas Insurance Limited, Management, Head of Window Takaful Operations, Divisional & Branch Heads and all relevant departments who cooperated with the Shariah Compliance function and provided every possible support to ensure Shari'ah Compliance in our Takaful practices.

"And Allah Knows Best"



Mufti Zeeshan Abdul Aziz
Shariah Advisor

Date: February 17, 2026



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Askari Corporate Tower,
75/76 D-1, Main Boulevard
Gulberg-III, Lahore-54660 Pakistan.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLAS INSURANCE LIMITED (WINDOW TAKAFUL OPERATIONS)

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of ATLAS INSURANCE LIMITED (the Operator) - WINDOW TAKAFUL OPERATIONS, (the Operations), which comprise the statement of financial position as at December 31, 2025, and the profit and loss account, the statement of comprehensive income, the statement of changes in funds and the cash flow statement 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 Operator's affairs as at December 31, 2025 and of the profit and total comprehensive income, the changes in funds and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

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. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Operator's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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:

- a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the 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, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the period 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 Muhammad Imran.

LAHORE
DATED: March 25, 2026
UDIN: AR2025101310dprnGu7K


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

Window Takaful Operations

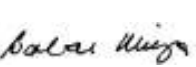
STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	Note	OPF		PTF	
		2025	2024	2025	2024
(Rupees in thousand)					
Assets					
Property and equipment	5	2,753	3,252	-	-
Investments					
Equity	7	125,663	99,740	50,519	-
Term deposits	8	75,000	65,000	815,000	790,000
		200,663	164,740	865,519	790,000
Loans and other receivables		2,342	1,553	-	-
Takaful / retakaful receivables	9	-	-	222,584	94,328
Deferred wakala fee	22	-	-	173,587	94,894
Receivable from PTF	11	394,891	364,978	-	-
Accrued investment income		575	1,591	6,222	17,894
Retakaful recoveries against outstanding claims	21	-	-	49,794	69,268
Deferred commission expense	23	68,490	31,123	-	-
Prepayments	12	4,373	2,709	176,915	103,379
Cash and bank	13	15,999	9,867	375,361	229,921
Total Assets		690,086	579,813	1,869,982	1,399,684
Fund and Liabilities					
Operator's fund (OPF)					
Capital reserve	14	50,000	50,000	-	-
Reserves		3,946	5,008	-	-
Accumulated profits		313,016	238,225	-	-
Total Operator's Fund		366,962	293,233	-	-
Participants' Takaful Fund					
Seed money		-	-	500	500
Reserves		-	-	316	-
Accumulated surplus		-	-	314,675	245,084
Balance of Participants' Takaful Fund		-	-	315,491	245,584
Liabilities					
PTF Underwriting Provisions					
Outstanding claims including IBNR	21	-	-	234,219	151,495
Unearned contribution reserves	19	-	-	601,385	327,062
Contribution deficiency reserve		-	-	3,254	1,190
Reserve for unearned retakaful rebate	20	-	-	43,136	23,619
		-	-	881,994	503,366
Retirement benefit obligations	10	3,437	3,037	-	-
Deferred taxation	16	821	1,699	202	-
Unearned wakala fee	22	173,587	94,894	-	-
Contribution received in advance		-	-	68,361	38,678
Takaful / retakaful payables	15	-	-	175,120	186,634
Other creditors and accruals	17	110,408	61,842	26,343	14,570
Payable to OPF	11	-	-	394,891	364,978
Income tax liabilities		34,871	125,108	7,580	45,874
Total Liabilities		323,124	286,580	1,554,491	1,154,100
Total Fund and Liabilities		690,086	579,813	1,869,982	1,399,684
Contingencies and Commitments	18				

The annexed notes from 1 to 42 form an integral part of these financial statements.


Muhammad Aasim Gul
Chief Financial Officer


Babar Mahmood Mirza
Chief Executive


Ali H. Shirazi
Director


Fahim Ali Khan
Director


Iftikhar H. Shirazi
Chairman

Window Takaful Operations

PROFIT AND LOSS ACCOUNT

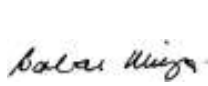
For the year ended December 31, 2025

	Note	2025	2024
(Rupees in thousand)			
Participants' Takaful Fund (PTF)			
Contributions earned		703,830	528,014
Less: Contributions ceded to retakaful		(347,368)	(268,335)
Net contributions revenue	19	356,462	259,679
Retakaful rebate earned	20	65,083	48,971
Net underwriting income		421,545	308,650
Net claims reported / settled including IBNR	21	(386,343)	(209,164)
Charge of contribution deficiency reserve		(2,064)	(1,190)
		(388,407)	(210,354)
Other direct expenses	28	(4,596)	(3,748)
Surplus before investment income		28,542	94,548
Investment income	25	89,724	145,816
Less: Modarib's share of investment income	27	(22,431)	(36,454)
Surplus before taxation		95,835	203,910
Taxation	30	(26,244)	(42,651)
Surplus transferred to accumulated surplus		69,591	161,259
Operator's Fund (OPF)			
Wakala fee	22	280,202	210,815
Commission expense	23	(111,895)	(70,398)
General, administrative and management expenses	24	(85,928)	(60,295)
		82,379	80,122
Modarib's share of PTF investment income	27	22,431	36,454
Investment income	25	19,473	19,692
Direct expenses	29	(2,788)	(1,865)
Other income	26	1,243	1,889
Profit before tax		122,738	136,292
Taxation	30	(47,947)	(53,479)
Profit after tax		74,791	82,813

The annexed notes from 1 to 42 form an integral part of these financial statements.



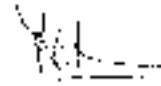
Muhammad Aasim Gul
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Iftikhar H. Shirazi
Chairman

Window Takaful Operations

STATEMENT OF COMPREHENSIVE INCOME

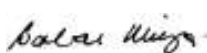
For the year ended December 31, 2025

	2025	2024
	(Rupees in thousand)	
PTF		
Surplus for the year	69,591	161,259
Other comprehensive income for the year:		
<i>Items that will be subsequently reclassified to profit and loss account (net of tax):</i>		
Un-realized gain on available for sale investments - net of deferred tax	316	-
Total comprehensive income for the year	69,907	161,259
OPF		
Profit after tax	74,791	82,813
Other comprehensive income for the year:		
<i>Items that will be subsequently reclassified to profit and loss account (net of tax):</i>		
Un-realized (loss) / gain on available for sale investments - net of deferred tax	(1,062)	5,008
Total comprehensive income for the year	73,729	87,821

The annexed notes from 1 to 42 form an integral part of these financial statements.



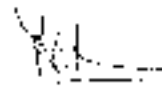
Muhammad Aasim Gul
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Iftikhar H. Shirazi
Chairman

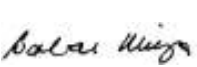
Window Takaful Operations
STATEMENT OF CHANGES IN FUNDS
For the year ended December 31, 2025

	Attributed to Operator's Fund			
	Statutory fund	Fair value reserve	Accumulated profits	Total
	(Rupees in thousand)			
Balance as at December 31, 2023	50,000	-	155,412	205,412
Profit for the year ended December 31, 2024	-	-	82,813	82,813
Other comprehensive income for the year ended December 31, 2024	-	5,008	-	5,008
Total comprehensive income for the year	-	5,008	82,813	87,821
Balance as at December 31, 2024	50,000	5,008	238,225	293,233
Profit for the year ended December 31, 2025	-	-	74,791	74,791
Other comprehensive income for the year ended December 31, 2025	-	(1,062)	-	(1,062)
Total comprehensive income for the year	-	(1,062)	74,791	73,729
Balance as at December 31, 2025	50,000	3,946	313,016	366,962

	Attributed to Participants of the PTF			
	Seed Money	Fair value reserve	Accumulated surplus	Total
	(Rupees in thousand)			
Balance as at December 31, 2023	500	-	83,825	84,325
Surplus for the year ended December 31, 2024	-	-	161,259	161,259
Other comprehensive income for the year ended December 31, 2024	-	-	-	-
Total comprehensive income for the year	-	-	161,259	161,259
Balance as at December 31, 2024	500	-	245,084	245,584
Surplus for the year ended December 31, 2025	-	-	69,591	69,591
Other comprehensive income for the year ended December 31, 2025	-	316	-	316
Total comprehensive income for the year	-	316	69,591	69,907
Balance as at December 31, 2025	500	316	314,675	315,491

The annexed notes from 1 to 42 form an integral part of these financial statements.


Muhammad Aasim Gul
Chief Financial Officer


Babar Mahmood Mirza
Chief Executive


Ali H. Shirazi
Director


Frahim Ali Khan
Director


Iftikhar H. Shirazi
Chairman

Window Takaful Operations

STATEMENT OF CASH FLOW

For the year ended December 31, 2025

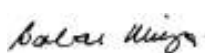
	OPF		PTF	
	2025	2024	2025	2024
	(Rupees in thousand)			
Operating Cash Flows				
a) Takaful activities				
Contributions received	-	-	1,150,416	801,214
Retakaful contributions paid	-	-	(446,327)	(288,446)
Claims paid	-	-	(387,653)	(289,822)
Retakaful and other recoveries received	-	-	188,108	130,310
Commissions paid	(128,451)	(80,170)	-	-
Wakala fees received / (paid)	289,034	130,001	(289,034)	(130,001)
Modarib share received / (paid)	55,897	-	(55,897)	-
Management expenses paid	(55,803)	(64,380)	694	(20,281)
Other underwriting receipts	1,243	1,889	23,275	15,548
Net cash generated from / (used in) takaful activities	161,920	(12,660)	183,582	218,522
b) Other operating activities				
Income tax paid	(138,383)	(3,199)	(64,538)	(21,154)
Net cash used in other operating activities	(138,383)	(3,199)	(64,538)	(21,154)
Net cash generated from / (used in) all operating activities	23,537	(15,859)	119,044	197,368
Investing Activities				
Profit / return received	7,826	19,060	101,396	140,247
Dividend received	12,663	1,359	-	-
Payments for investments	(372,663)	(881,156)	(3,825,000)	(4,745,000)
Proceeds from investments	335,000	880,000	3,750,000	4,550,000
Proceeds from sale of property and equipment	-	9	-	-
Fixed capital expenditure	(231)	(193)	-	-
Net cash (used in) / generated from investing activities	(17,405)	19,079	26,396	(54,753)
Total cash generated from all activities	6,132	3,220	145,440	142,615
Cash and cash equivalents at the beginning of the year	9,867	6,647	229,921	87,306
Cash and cash equivalents at the end of the year	15,999	9,867	375,361	229,921

	OPF		PTF	
	2025	2024	2025	2024
(Rupees in thousand)				
Reconciliation to profit and loss account				
Operating cash flows	23,537	(15,859)	119,044	197,368
Depreciation / amortization expense	(730)	(849)	-	-
Other investment income	19,473	19,692	89,724	145,816
Decrease in unearned contribution	-	-	274,323	28,381
Increase in assets other than cash	69,733	119,661	261,011	37,891
Increase in liabilities other than borrowings	(74,589)	(43,808)	(694,028)	(252,429)
Other adjustments				
Decrease in reserve for unearned retakaful rebate	-	-	19,517	4,232
Increase in deferred commission expense	37,367	3,976	-	-
Profit / surplus for the year	74,791	82,813	69,591	161,259
Attributable to				
Participants' Takaful Fund	-	-	69,591	161,259
Operators Fund	74,791	82,813	-	-
	74,791	82,813	69,591	161,259

The annexed notes from 1 to 42 form an integral part of these financial statements.



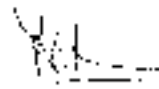
Muhammad Aasim Gul
Chief Financial Officer



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Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Iftikhar H. Shirazi
Chairman

Window Takaful Operations

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

1. Legal status and nature of business

Atlas Insurance Limited (the Operator) was granted a license to undertake Window Takaful Operations (WTO) in Pakistan on March 02, 2016 by the Securities and Exchange Commission of Pakistan (SECP) under the Takaful Rules, 2012.

For the purpose of carrying on the takaful business, as per requirement of circular 8 of 2014 the Operator transferred Rs. 50,000 thousand in a separate bank account and thereafter, formed a Waqf / Participants' Takaful Fund (PTF) on March 12, 2016 under a Waqf deed with the seed money of Rs. 500 thousand. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

2. Basis of preparation and statement of compliance

2.1 Statement of compliance

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

- IFRS Accounting Standards issued by International Accounting Standard Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and the 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 the General Takaful Accounting Regulations, 2019, shall prevail.

2.2 Basis of preparation

These financial statements have been presented on the format of financial statements issued by the SECP through General Takaful Accounting Regulations, 2019 vide S.R.O. 1416(I)/2019 dated November 20, 2019.

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

2.3 Basis of measurement

These financial statements have been prepared under historical cost convention, except that certain investments that are carried at fair market value and the recognition of certain employee retirement benefits that are measured at present value. All transactions reflected in these financial statements are on accrual basis except for those reflected in cash flow statements.

2.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Operator operates ("the functional currency"). The financial statements are presented in Pak Rupees, which is the Operator's functional and presentation currency. All the financial information presented in Rupees has been rounded off to the nearest thousand in rupee, unless otherwise stated.

2.5 Application of new standards, amendments and interpretations to published approved accounting and reporting standards.

2.5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2025

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability

January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

2.5.2 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.

	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 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
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027

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 the SECP.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. It has been adopted locally by the SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. It has been adopted locally by the 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, the SECP has notified the timeframe for the adoption of IFRS 17 which will be adopted by January 01, 2027.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit or loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. Fair value of Financial Instruments as at December 31, 2025 is presented in note 34.1 of these financial statements.

2.5.3 Temporary exemption from application of IFRS 9

The Company has taken the benefit of temporary exemption of applying IFRS 9 "Financial Instruments" with IFRS 17 "Insurance Contracts" as allowed under IFRS. The SECP vide its SRO 1336(I)/2025 dated July 23, 2025, extended the applicability period of IFRS 17 and the optional temporary exemption from applying IFRS 9 – Financial Instruments as for the annual period commencing from January 01, 2027.

3. Use of judgment and estimates

The preparation of financial statement in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to these financial statements or judgment was exercised in application of accounting policies, are as follows:

	Note
Contribution deficiency reserves	4.5
Outstanding claims (including IBNR) and retakaful recoveries there against	4.13

4. Material accounting policies information

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

4.1 Property and equipment

4.1.1 Operating assets - owned

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated on a reducing balance method at the rate specified in note 5.1 to the financial statements after taking into account residual value.

Depreciation is charged from the month in which an asset is acquired or capitalized, whereas no depreciation is charged in the month of disposal.

4.2 Takaful contracts

Takaful contracts are based on the principles of Wakala where the PTF accepts significant Takaful risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event adversely affects the policyholders. Once a contract has been classified as a Takaful contract, it remains a Takaful contract for the remainder of its lifetime, even if the Takaful risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

The Operator underwrites non-life takaful contracts categorized into fire and property damage, marine, aviation and transport, motor and miscellaneous contracts. The contracts may have a fixed term of one year or less and in some cases for more than one year. Takaful contracts entered into by the Operator under which the contract holder is another Takaful Operator (inwards retakaful) of a facultative nature are included within the individual category of takaful contracts, other than those which fall under Treaty. The takaful risk involved in these contracts is similar to the contracts undertaken by the Operator as takaful operator based on its assessment of the takaful risk involved.

The classification of a takaful contract into the aforementioned categories is based on management's judgment regarding the incident / cause of loss effecting the majority of asset(s) covered under the takaful contract. The Operator performs its segment reporting activities based on the classifications of takaful contracts made, as disclosed in note 33 to these financial statements.

a) Fire and property damage takaful:

i) Takaful risks and events insured

Cover is provided to the takaful contract holders against damages caused by fire, earthquake, riot and strike, explosion, atmospheric disturbance, flood, electric fluctuation and impact and burglary etc. and loss of profit followed by the incident of fire. These takaful contracts are normally availed by commercial organizations, however are available to both commercial organizations and individuals.

ii) Revenue recognition policy

Contribution income is recognized over the period of takaful from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct takaful business, contribution is recognized evenly over the period of the policy and for proportional retakaful business, evenly over the period of underlying takaful policies. Where the pattern of incidence of risk varies over the period of the policy, contribution is recognized as revenue in accordance with the pattern of the incidence of risk. Contributions for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross contribution underwritten is adjusted against the unearned contribution reserves / liabilities existing at each reporting date to determine the net contribution underwritten during the year.

Since majority of policies are for one year, the Operator maintains its provision for unearned contribution by applying the 1/24th method as stipulated in regulation 9(4)(b) of the General Takaful Accounting Regulations, 2019.

In addition to direct takaful, at times the Operator also participates in risks under cotakaful from other takaful companies and takaful operators and also accepts risks through retakaful inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Operator. Contribution recognized against cotakaful policies is limited to the share of the Operator only.

Contribution income includes administrative surcharge that represents documentation and other charges recovered by the Operator from takaful contract holder in respect of policies issued, at the rate of 5% of the gross contribution written restricted to a maximum of Rs. 4,000 per policy.

iii) Claims recognition

Claim liability against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the takaful contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under Incurred But Not Reported (IBNR) and expected claims settlement costs.

b) Marine, aviation and transport takaful:

i) Takaful risks and events insured

Cover is provided upon the assets of the takaful contract holders against loss of or damage to cargo while in transit to and from foreign lands and inland transit due to various insured perils including loss of or damage to carrying vessel etc. This product is normally provided to commercial organizations. These takaful contracts are normally availed by commercial organizations, however are available to both commercial organizations and individuals.

ii) Revenue recognition policy

Contribution income is recognized over the period of takaful from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct business, contribution is recognized evenly over the period of the policy and for proportional retakaful business, evenly over the period of underlying takaful policies. Where the pattern of incidence of risk varies over the period of the policy, contribution is recognized as revenue in accordance with the pattern of the incidence of risk. Contribution for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross contribution underwritten is adjusted against the unearned contribution reserves / liabilities existing at each reporting date to determine the net contribution underwritten during the year.

Since majority of policies are for one month period, contribution written during last month of the financial year is taken to the provision for unearned contribution at the reporting date.

In addition to direct takaful, at times the Operator also participates in risks under cotakaful from other companies and also accepts risks through retakaful inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Operator. Contribution recognized against cotakaful policies is limited to the share of the Operator only. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

Contribution income includes administrative surcharge that represents documentation and other charges recovered by the Operator from takaful contract holder in respect of policies issued, at the rate of 5% of the gross contribution written restricted to a maximum of Rs. 4,000 per policy.

iii) Claims recognition

Claim liability against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the takaful contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under IBNR and expected claims settlement costs.

c) Motor takaful:

i) Takaful risks and events insured

Cover is provided to assets of the takaful contract holders against accidental damage to or loss of insured vehicle including loss of or damage to third party and other comprehensive car coverage. This product is normally availed by individual customers, however are available to both commercial organization and individuals.

ii) Revenue recognition policy

Contribution income is recognized over the period of takaful from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct business, evenly over the period of the policy and for proportional retakaful business, evenly over the period of underlying takaful policies. Where the pattern of incidence of risk varies over the period of the policy, contribution is recognized as revenue in accordance with the pattern of the incidence of risk. Contributions for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross contribution underwritten is adjusted against the unearned contribution reserves / liabilities existing at each reporting date to determine the net contribution underwritten during the year.

Since majority of policies are for one year, the Operator maintains its provision for unearned contribution by applying the 1/24th method as stipulated in regulation 9(4)(b) of the General Takaful Accounting Regulations, 2019.

In addition to direct takaful, at times the Operator also participates in risks under cotakaful from other companies and also accepts risks through retakaful inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Operator. Contribution recognized against cotakaful policies is limited to the share of the Operator only. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

Contribution income includes administrative surcharge that represents documentation and other charges recovered by the Operator from takaful contract holder in respect of policies issued, at the rate of 5% of the gross contribution written restricted to a maximum of Rs. 2,000 per policy.

iii) Claims recognition

Claim liability against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the takaful contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under IBNR and expected claims settlement costs.

d) Miscellaneous takaful:

i) Takaful risks and events insured

Cover is provided to assets of the takaful contract holders against damage / loss occurring due to burglary, loss of cash in safe, cash in transit and cash on counter, health, travel and crop etc. As per guidance of Insurance Accounting Regulations, 2017 amounts constituting less than 10% of the gross contribution revenue are clubbed together under this class of takaful contract. Normally personal takaful contracts e.g. vehicle, travel, personal accident, etc. are provided to individual customers, whereas, takaful contracts of loss of cash in safe, cash in transit and cash on counter and health, etc are provided to commercial organizations.

ii) Revenue recognition policy

Contribution income is recognized over the period of takaful from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct business, evenly over the period of the policy and for proportional retakaful business, evenly over the period of underlying takaful policies. Where the pattern of incidence of risk varies over the period of the policy, contribution is recognized as revenue in accordance with the pattern of the incidence of risk. Contributions for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross contribution underwritten is adjusted against the unearned contribution reserves / liabilities existing at each reporting date to determine the net contribution underwritten during the year.

Since majority of policies are for one year, the Operator maintains its provision for unearned contribution by applying the 1/24th method as stipulated in regulation 9(4)(b) of the General Takaful Accounting Regulations, 2019.

In addition to direct takaful, at times the Operator also participates in risks under cotakaful from other takaful companies and takaful operators and also accepts risks through retakaful inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Operator. Contribution recognized against cotakaful policies is limited to the share of the Operator only. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

Contribution income includes administrative surcharge that represents documentation and other charges recovered by the Operator from takaful contract holder in respect of policies issued, at the rate of 5% of the gross contribution written restricted to a maximum of Rs. 4,000 per policy.

iii) Claims recognition

Claim liability against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the takaful contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under IBNR and expected claims settlement costs.

Detailed accounting policies for recording and measurement of retakaful contracts held, receivables / payables related to takaful contracts and provision for outstanding claims including Incurred But Not Reported (IBNR) are mentioned in note 4.6, 4.7 and 4.13 respectively.

4.3 Deferred commission expense

Commission expenses incurred in obtaining and recording takaful are deferred and recognised as an asset. The deferred amount represents the portion of commission expense relating to the unexpired period of the takaful coverage at the reporting date.

The same is amortized systematically, through the profit and loss account, over the reporting periods over which the related contribution revenue is recognized. Accordingly, deferred commission expense is also effected by the judgement and estimates involved in the determination of contribution revenue.

The Operator maintains its provision for deferred commission expense by applying the 1/24th method on fire and property damage, motor and miscellaneous as stipulated in the General Takaful Accounting Regulations, 2019 for non life insurance companies. In case of marine, aviation and transport commission expense relating to last month is taken as deferred commission expense.

4.4 Reserve for unearned contribution

The unearned portion of contribution written is set aside as an unearned contribution reserve. The provision for unearned contribution accordingly, represents the portion of contribution written relating to the unexpired period of takaful coverage at the reporting date. The method selected by management involves judgement and estimates regarding the expected pattern of incidence of risk in relation to a particular type of policy.

The Operator maintains its provision for unearned contribution by applying the 1/24th method on fire and property damage, motor and miscellaneous as stipulated in regulation 9(4)(b) of the General Takaful Accounting Regulations, 2019. However, in case of marine, aviation and transport, contribution written during last month is taken to the provision for unearned contribution.

4.5 Contribution deficiency reserve

In order to comply with the requirements of section 34(2)(d) of the Insurance Ordinance, 2000, a contribution deficiency reserve is maintained for each operating segment, where the unearned contribution liability for any class of business is not adequate to meet the expected future liability, after retakaful, for claims, commissions, and other underwriting expenses, expected to be incurred after the reporting date in respect of the policies in force at the reporting date, in that operating segment. The movement in the contribution deficiency reserve is recorded as an expense / income as part of the underwriting results for the year.

An estimate of loss ratios for the expired period is carried out, at each operating segment level, keeping in view historical claim development and experience during the expired period of the contracts. Where ratios are adverse, an assessment is made to determine if it is due to one off claim that are not expected to recur during the remaining period of the policies and expectations of future events that are believed to be reasonable. If determined to be inadequate, a deficiency in contribution is recognized in the current reporting period.

Based on recommendation of actuary, the unearned contribution reserve, on aggregation basis, at the year end is adequate to meet the expected future liability after reinsurance claims and claim handling expenses, expected to be incurred after the statement of financial position date in respect of policies in force at the statement of financial position date. Therefore, no contribution deficiency reserve has been accounted, except for miscellaneous classes for which contribution deficiency reserve have been accounted for separately in these financial statements.

4.6 Retakaful contracts held

The Operator enters into retakaful contracts with retakaful companies by arranging treaty retakaful, whereby certain agreed proportion of risks are shared with the participating companies, hence higher underwriting capacity with larger spread becomes available. Depending upon the nature and / or size of the risk at times retakaful of excess of capacity is also placed on case to case basis under facultative retakaful arrangement. The Operator also accepts facultative retakaful from other local takaful companies provided the risk meets the underwriting requirements of the Operator.

The risks undertaken by the Operator under these contracts for each operating segment are stated in note 4.2 to the financial statements.

The benefits to which the Operator is entitled under retakaful contracts held are recognized as retakaful assets. These assets include retakaful receivables as well as receivables that are dependent on the expected claims and benefits arising under the related retakaful contracts. Retakaful liabilities primarily include contribution payable and retakaful rebate payable (in case of facultative acceptance). Retakaful assets and liabilities are measured consistently with the terms of the underlying retakaful contracts.

Retakaful assets and liabilities are derecognized when the contractual rights are extinguished or expired. Furthermore, Retakaful assets are not offset against related takaful liabilities.

Assets, liabilities and income and expense arising from ceded retakaful contracts are presented separately from the assets, liabilities, income and expense from the related takaful contracts because the retakaful arrangements do not relieve the PTF from its direct obligation to its policyholders.

4.7 Amount due to / from retakaful operators

Takaful/retakaful receivables and payables are recognized when due and carried at cost less provision for impairment. Cost is the fair value of the consideration to be received/ paid in the future for services rendered/ received. These include amounts due to and from agents, brokers, takaful contract holders and other takaful companies.

An assessment is made at each reporting date to determine whether there is objective evidence from external as well as internal sources of information that a financial asset or group of assets may be impaired i.e. recoverable amount at the reporting date is less than the carrying amount of the asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized, in the profit and loss account, for the difference between the recoverable amount and the carrying amount. Provisions for impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in the provisions are recognized as income or expense, in the profit and loss account for the period.

4.8 Segment reporting

The Operator accounts for segment reporting based on the guidelines of the General Takaful Accounting Regulations, 2019 and the operating segments as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017, as the primary reporting format based on the Operator's practice of internal reporting to the management on the same basis. The Operator has determined its primary segments based on takaful risks covered under four types of takaful contracts as stated in note 4.2 to the financial statements.

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

As the operations of the Operator are predominantly carried out in Pakistan, information relating to geographical segment is not considered relevant.

4.9 Cash and cash equivalents

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

4.10 Revenue recognition

a) Contribution income earned

Contribution income under a takaful contract is recognized over the period of takaful from the date of the issue of the policy / cover note to which it relates, to its expiry as detailed in note 4.2 to the financial statements.

b) Wakala and Modarib's share

The Operator manages the general takaful operations for the participants and charges wakala fee at following rates of gross contribution written including administrative surcharge as Wakala fee against the services:

<u>Class</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Fire and property damage	30%	30%
Marine, aviation and transport	30%	30%
Motor	27.5%	27.5%
Miscellaneous	30%	30%
Health	30%	30%
Engineering	30%	30%

Wakala fee is recognized on the same basis on which the related revenue is recognized. The same its is recognised as an expense in the PTF and income excluding the portion of fee pertaining to accounting, claim handling and possible contribution refund in the OPF.

Unexpired portion of Wakala fee is deferred and, recognized as a liability of the OPF and an asset of the PTF until amortised over the takaful term.

The Operator also manages the participant's investment as Modarib and charges 25% of the investment income earned by the PTF as Modarib fee. It is recognized on the same basis on which related investment income is recognized. The same its is recognised as an expense in the PTF and income in the OPF.

c) Rebate from retakaful operators

Rebate from retakaful operators is recognised at the same time of insurance of the underlying takaful policy by the Operator and is deferred in accordance with the pattern of recognition of the retakaful contribution to which it relates.

d) Investment income

Return on Islamic investment products i.e. investments, profit on profit and loss sharing accounts and bank deposits are recognized on accrual basis.

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

e) Dividend income

Dividend income is recognized in the profit and loss account when the right to receive such dividends is established.

f) Administration surcharge

Administrative surcharge includes documentation and other charges recovered by the Operator from takaful contact holders in respect of takaful policies issued, at a rate of 5% of the gross contribution, restricted to a maximum of Rs. 2,000 in case of motor, and Rs. 4,000 in case of all other takaful contracts. Administrative surcharge is recognized as revenue at the time of issuance of policy.

For the purpose of these financial statements, administrative surcharge is included in gross contribution written during the year.

4.11 Investments

4.11.1 Recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs. All investments in equity securities, debt securities and term deposits are accounted for under IAS-39 and based thereon can be classified into any of the following categories:

- Held to maturity
- Available for sale

4.11.2 Measurement

(i) Equity securities

Currently the Operator classifies investment in equity securities such as shares in other listed/unlisted companies, mutual fund units / investments etc. as "available for sale".

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified as 'held to maturity' or 'investment at fair value through profit and loss account'. These investments are intended to be held for an indefinite period of time which may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates. Investments classified as 'available for sale' are initially measured at cost, being the fair value of consideration given.

At each subsequent reporting date, available for sale investments are remeasured at fair market value. Changes in fair market value are recognised in other comprehensive income / (loss) until derecognised or determined to be impaired. Gains / losses on derecognition and impairment losses / reversals are recognized in profit and loss account.

(ii) Debt securities and term deposits

The Operator classifies its investment in debt securities and term deposits, as either 'held to maturity' or 'available for sale' depending upon the maturity of the investment.

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as 'held to maturity', while debt investments having an indefinite term / perpetual maturity are classified as 'available for sale', if any. These investments are initially measured at the cost being the fair value of consideration paid.

Subsequently 'held to maturity' investments are measured at amortized cost using the effective yield method. Any premium paid or discount availed on acquisition of held to maturity investments is deferred and included in the income for the period on a straight line basis over the term of investment. While 'available for sale' investments are remeasured at fair market value at each subsequent reporting date. Changes in fair market value, if any are recognised in other comprehensive income / (loss) until derecognised or determined to be impaired. Gains / losses on derecognition and impairment losses / reversals are recognized in profit and loss account.

The Operator has classified debt investments in Term Deposits as 'held to maturity' at the reporting date.

4.12 Management expenses

Expenses of management include both directly and indirectly attributable expenses allocated to various classes of business / operating segments on the basis of gross contribution. Management judgement is involved in determining the nature of expenses that are not allocable to the underwriting business and based thereon are classified as other expenses.

4.13 Provision for outstanding claims / benefits including Incurred But Not Reported (IBNR)

The Operator recognizes liability in respect of all claims incurred up to the reporting date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in a takaful contract. The liability for claims includes amounts in relation to unpaid reported claims, IBNR and expected claim settlement costs.

Outstanding claims comprise the estimated cost of claims incurred but not settled at the reporting date, whether reported or not. The Operator engages an actuary to estimate the IBNR as per the SECP Circular No. 9 of 2016, "SEC guidelines for estimation of Incurred but not Reported claim reserve, 2016".

The Guidelines require that estimation for 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 Chain Ladder Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level to derive an IBNR estimate.

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

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Operator, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of the retakaful recoveries. The estimation process takes into account the past claims reporting pattern and details of retakaful programs.

The contribution liabilities have been determined such that the total contribution liability provisions (unearned contribution reserve and contribution deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of reporting date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

4.14 Creditors and accruals

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

4.15 Claims

Claims are charged to PTF income as incurred based on estimated liability for compensation owed under the takaful contracts. It includes claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

4.16 Qard-e- Hasna

When the PTF including reserves are insufficient to meet the current payments less receipts, the deficit is funded by way of interest free loan (Qard-e-Hasna) from the OPF.

4.17 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.

5. Property and equipment

Operating assets

Note	OPF	
	2025	2024
	(Rupees in thousand)	
5.1	2,753	3,252

5.1 Operating assets - OPF

	2025									
	Cost			Accumulated depreciation				Written down value		
	As at January 01	Additions	Disposals	As at December 31	As at January 01	Charge for the year	On disposal	As at December 31	As at December 31	Depreciation rate
	(Rupees in thousand)									
Computer equipment	193	231	-	424	68	104	-	172	252	33
Vehicles	4,690	-	-	4,690	1,563	626	-	2,189	2,501	20
	4,883	231	-	5,114	1,631	730	-	2,361	2,753	
	2024									
	Cost			Accumulated depreciation				Written down value		
	As at January 01	Additions	Disposals	As at December 31	As at January 01	Charge for the year	On disposal	As at December 31	As at December 31	Depreciation rate
	(Rupees in thousand)									
Computer equipment	77	193	(77)	193	68	68	(68)	68	125	33
Vehicles	4,690	-	-	4,690	782	781	-	1,563	3,127	20
	4,767	193	(77)	4,883	850	849	(68)	1,631	3,252	

5.1.1 The depreciation charge / expense for the year has been allocated to management expenses as disclosed in note 24.

5.1.2 Disposal of property and equipment

Particulars	Particulars of Buyer	Relationship with the Operator	Cost	Sale Proceeds	Net Book Value	Mode of disposal
(Rupees in thousand)						
December 31, 2025			-	-	-	
December 31, 2024			77	9	9	

6. Intangible assets

The Operator has fully amortized computer software costing Rs. 900 thousand (2024: Rs. 900 thousand) which is still in use at the reporting date.

7. Investment in equity securities

Available for sale - Related Parties

Mutual Funds

	Note	OPF		PTF	
		2025	2024	2025	2024
(Rupees in thousand)					
Cost		119,194	91,531	50,000	-
Impairment / Provision		-	-	-	-
Unrealized gain on revaluations		6,469	8,209	519	-
	7.1	125,663	99,740	50,519	-

7.1 Mutual funds - related parties

Number of units	Face value	Fund's name	Note	Cost		Carrying value	
				2025	2024	2025	2024
				(Rupees in thousand)			

Operators' fund (OPF)

236,438	182,279	500	Atlas Islamic Money Market Fund	119,194	91,531	125,663	99,740
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Participants' fund (PTF)

95,052	-	500	Atlas Islamic Money Market Fund	50,000	-	50,519	-
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8. Investments in term deposits

Held to maturity

Deposits maturing within 12 months

Cost	8.1	75,000	65,000	815,000	790,000
Carrying value		75,000	65,000	815,000	790,000

8.1 These represent term deposit receipts carrying markup at 9.00% to 9.65% (2024: 11.00% to 20.70%) per annum having a maximum maturity of March 05, 2026. These have been obtained from various banks (Faysal bank, Askari bank, Bank Islami and Sindh bank).

9. Takaful / retakaful receivables - PTF

	Note	2025	2024
(Rupees in thousand)			
Due from takaful participants holders		95,343	42,321
Less: Provision for impairment of receivables from takaful participants holders	9.1	(546)	(546)
		94,797	41,775
Due from other insurers / retakaful operators		127,787	52,553
Less: Provision for impairment of due from other insurers / retakaful operators		-	-
		127,787	52,553
		222,584	94,328

9.1 Provision for impairment for receivables from takaful contract holders

Balance as at January 01	546	546
Addition / (reversal) made during the year	-	-
Balance as at December 31	546	546

- 9.2 The Operator has cotakaful and retakaful arrangements with various takaful operators and domestic retakaful operator. Under the above arrangements, the receivable and payable balances originate mainly due to contributions collected or claims settled by the lead insurer on behalf of other cotakaful, and in case of retakaful, the contribution ceded to and claims recoverable from the retakaful operator under the respective contracts. As per the prevailing industry practices, settlements of balances under cotakaful arrangements are done between respective insurance companies in normal course of business.

The Operator believes that the current balances of cotakaful and retakaful reflected in the records of the Company are based on underlying contracts and transactions supported by appropriate evidence.

In this regard, the Operator exchanged balance information with various cotakaful based on significance of the balances and the retakafuls. This information corroborates the balance position of the Operator in all material respects.

10. Retirement benefit obligations - OPF

The Operator maintains separate defined benefit plans for management and non-management staff. Contribution are made based upon recommendations of the latest actuarial valuations carried out, such that the employer's contributions should remain within the limits laid down in the Income Tax Rules, 2002. Contributions made are recognised as an expense.

Detailed disclosures as required under Insurance Rules, 2017, have been presented on a collective basis in the separate financial statements of Atlas Insurance Limited.

11. Receivable / (payable) - current account between OPF and PTF

	Note	OPF		PTF	
		2025	2024	2025	2024
(Rupees in thousand)					
Wakala fee		400,953	331,092	(400,953)	(331,092)
Modaraba fee		22,431	55,897	(22,431)	(55,897)
Others		(28,493)	(22,011)	28,493	22,011
		<u>394,891</u>	<u>364,978</u>	<u>(394,891)</u>	<u>(364,978)</u>
12. Prepayments					
Prepaid retakaful contribution ceded	19	-	-	176,573	103,037
Prepaid miscellaneous expenses		4,373	2,709	342	342
		<u>4,373</u>	<u>2,709</u>	<u>176,915</u>	<u>103,379</u>
13. Cash and bank					
Cash at bank					
- Current accounts		-	-	-	-
- Saving accounts	13.1	15,999	9,867	375,361	229,921
		<u>15,999</u>	<u>9,867</u>	<u>375,361</u>	<u>229,921</u>

- 13.1 The rate of profit and loss sharing accounts range from 2.54% to 10.90% (2024: 2.48% to 14.52%) per annum, depending on the size of average deposits.

- 13.2 Cash at bank represents the cash and cash equivalents for the purpose of cash flow statement.

	Note	OPF	
		2025	2024
(Rupees in thousand)			
Statutory reserves	14.1	<u>50,000</u>	<u>50,000</u>

- 14.1 Amount of Rs. 50,000 thousand (2024: Rs. 50,000 thousand) is deposited as statutory reserves to comply with provisions of para 4 of Circular No 8 of 2014 read with section 11(c) of the Takaful Rules, 2012 issued by the SECP which states that "Every insurer who is interested to commence window takaful business shall transfer an amount of not less than 50 million Rupees to be deposited in a separate bank account for window takaful business duly maintained in a scheduled bank".

	PTF	
	2025	2024
(Rupees in thousand)		
Due to takaful participants / retakaful payable	<u>175,120</u>	<u>186,634</u>

Note	OPF		PTF	
	2025	2024	2025	2024

(Rupees in thousand)

16. Deferred taxation

Deferred debits arising in respect of:

Owned assets as per accounts
Provision for doubtful receivables
Retirement benefit liabilities

(149)	(106)	-	-
(213)	(213)	-	-
(1,340)	(1,184)	-	-
(1,702)	(1,503)	-	-

Deferred credits arising due to:

Gain / loss on AFS

2,523	3,202	202	-
2,523	3,202	202	-
821	1,699	202	-

Net deferred tax liability

16.1 Reconciliation of deferred tax liabilities, net

As at January 01,
Tax expense recognized in statement of profit and loss
Tax income recognized in Other Comprehensive Income (OCI)
As at December 31,

1,699	(694)	-	-
(199)	(809)	-	-
(679)	3,202	202	-
821	1,699	202	-

17. Other creditors and accruals

Agent commission payable
Federal Excise Duty / Sales tax
Federal Insurance Fee
Other tax payable
Leave encashment
Audit fee payable
Payable to Atlas Insurance Limited
Others

36,542	15,731	-	-
-	-	10,945	6,575
-	-	617	501
7,651	606	2,116	378
1,492	1,452	-	-
3,124	2,157	-	-
54,000	37,500	-	-
7,599	4,396	12,665	7,116
110,408	61,842	26,343	14,570

17.1 This represents payable in respect of common expenses incurred by the Atlas Insurance Limited on behalf of the Window Takaful Operations.

18. Contingencies and commitments

18.1 Contingencies

There are no contingencies as at December 31, 2025 (2024: Nil).

18.2 Commitments

The amount of future payments under tracker expense and the period in which these payments will become due are as follows:

Note	PTF	
	2025	2024

(Rupees in thousand)

Not later than one year
Later than one year and not later than five years

1,248	1,157
1,248	1,157
2,496	2,314

19. Net contributions

Written gross contribution
Less: Wakala fee
Contribution net of wakala fee
Add: Unearned contribution reserve - opening
Less: Unearned contribution reserve - closing
Contributions earned

22	1,258,355	767,210
	(280,202)	(210,815)
	978,153	556,395
	327,062	298,681
	(601,385)	(327,062)
	703,830	528,014

Less: Retakaful contribution ceded
Add: Prepaid retakaful contribution - opening
Less: Prepaid retakaful contribution - closing
Retakaful expense

12	420,904	277,249
	103,037	94,123
	(176,573)	(103,037)
	347,368	268,335

Net Contributions

356,462	259,679
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	PTF	
	2025	2024
(Rupees in thousand)		
20. Retakaful rebate		
Retakaful rebate / commission received	84,600	53,203
Add: Unearned retakaful rebate / commission - opening	23,619	19,387
Less: Unearned retakaful rebate / commission - closing	(43,136)	(23,619)
Net retakaful rebate	65,083	48,971
21. Takaful benefits / claims expense		
Benefits / claims paid	387,653	289,822
Add: Outstanding benefits / claims including IBNR - closing	234,219	151,495
Less: Outstanding benefits / claims including IBNR - opening	(151,495)	(120,348)
Claims expense	470,377	320,969
Retakaful and other recoveries received	103,508	77,107
Add: Retakaful and other recoveries in respect of outstanding claims - closing	49,794	69,268
Less: Retakaful and other recoveries in respect of outstanding claims - opening	(69,268)	(34,570)
Retakaful and other recoveries revenue	84,034	111,805
Net claims expense	386,343	209,164

21.1 Benefit / Claim Development

The following table shows the development of fire and property damage, marine, aviation and transport, motor and miscellaneous intimated claims compared to the last four years excluding provision for IBNR. The disclosure goes back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments. For other classes of business the uncertainty about the amount and timings of claims payment is usually resolved within a year.

Accident year	Current Year	2024	2023	2022	2021
(Rupees in thousand)					
Estimate of ultimate claims costs:					
At end of accident year	152,298	110,254	71,219	78,705	50,990
One year later	-	149,783	62,834	112,172	51,093
Two years later	-	-	64,240	104,487	54,561
Three years later	-	-	-	106,617	45,423
Four years later	-	-	-	-	45,639
Current estimate of cumulative claims	152,298	149,783	64,240	106,617	45,639
Cumulative payments to date	-	(99,571)	(52,278)	(95,897)	(43,938)
Liability recognized in statement of financial position	152,298	50,212	11,962	10,720	1,701

	OPF	
	2025	2024
(Rupees in thousand)		
22. Wakala fee/ expense		
Gross wakala fee / expense	358,895	219,643
Add: Deferred wakala expense / unearned wakala fee - opening	94,894	86,066
Less: Deferred wakala expense / unearned wakala fee - closing	(173,587)	(94,894)
Wakala fee / expense	280,202	210,815
23. Commission expense		
Commission paid or payable	149,262	74,374
Add: Deferred commission expense - opening	31,123	27,147
Less: Deferred commission expense - closing	(68,490)	(31,123)
	111,895	70,398

	Note	OPF	
		2025	2024
(Rupees in thousand)			
24. General administrative and management expense			
Employee benefit cost	24.1	61,202	44,962
Shariah advisor fee		2,597	2,400
Advertisement and sales promotion		8,523	3,246
Printing and stationery		1,130	805
Depreciation expense	5.1	730	849
Vehicle running expenses		509	560
Fee and subscriptions		3,645	3,645
Annual Supervision fee SECP		1,227	1,040
Service charges		5,582	2,226
Miscellaneous		783	562
		85,928	60,295
24.1 Employee benefit cost			
Salaries, allowance and other benefits		60,550	42,872
Charges for post employment benefit		652	2,090
		61,202	44,962

	OPF		PTF	
	2025	2024	2025	2024
(Rupees in thousand)				
25. Investment income				
Income from equity securities				
Dividend income	12,663	1,359	-	-
Income from term deposits				
Profit on term deposits	6,162	15,632	67,908	121,574
Profit on bank balances	648	2,326	21,816	24,242
	19,473	19,317	89,724	145,816
Net realised gains / (losses) on investments				
Realised gain / (loss) on equity securities	-	375	-	-
	19,473	19,692	89,724	145,816
26. Other income				
Service charges	1,243	1,889	-	-

27. Modarib's fee

The shareholders of the Company manage the participants' investments as a Modarib and charge 25% Modarib's share of the investment income earned by PTF.

	Note	PTF	
		2025	2024
(Rupees in thousand)			
28. Other direct expenses			
Bank charges		165	88
Tracker expenses		3,106	2,918
Miscellaneous		1,325	742
		4,596	3,748

	Note	OPF	
		2025	2024
(Rupees in thousand)			
29. Direct expenses			
Auditor's remuneration	29.1	2,788	1,865
29.1 Auditor's remuneration			
Audit fee		1,329	1,208
Special certifications and sundry advisory services		1,270	473
Out of pocket expenses		189	184
		2,788	1,865

	OPF		PTF	
	2025	2024	2025	2024
	(Rupees in thousand)			
For the year				
- Current	48,146	54,288	26,244	42,651
- Deferred	(199)	(809)	-	-
- Relating to change in tax rate	-	-	-	-
For prior years				
- Current	-	-	-	-
	<u>47,947</u>	<u>53,479</u>	<u>26,244</u>	<u>42,651</u>

31. Compensation of directors and executives

Aggregate amounts charged in the accounts for remuneration to the Executives of the Operator are as follows, while details of the same with respect to the CEO and directors has been represented on a collective basis in the separate financial statements of Atlas Insurance Limited.

	Executives	
	2025	2024
	(Rupees in thousand)	
Managerial remuneration	2,159	1,810
Bonus paid	1,330	1,115
Contribution to defined benefit plan	207	66
Contribution to defined contribution plan	1,408	173
Rent and house maintenance	842	708
Utilities	191	157
Medical	160	88
Others (petrol, telephone, conveyance, newspaper)	547	601
Total	<u>6,844</u>	<u>4,718</u>
Number of person(s)	<u>1</u>	<u>1</u>

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

32. Related party transactions

Related parties comprises of associated entities, entities under common control, entities with common directors, major shareholders, post employment benefit plans and key management personnel, inclusive of directors, and their close family members. Transactions with related parties are carried out on mutually agreed terms and conditions.

Amounts due to / from and other significant transactions, other than those disclosed elsewhere in this financial statements, are as follows:

		2025	2024
		(Rupees in thousand)	
Operator's Fund			
Associated companies	Transactions during the year		
	Investments sold at sale price	27,663	-
Retirement benefit plans	Transactions during the year		
	Contributions in respect of retirement benefit plans	661	1,880
Key management personnel	Transactions during the year		
	Assets sold	-	9
Participant's Takaful Fund			
Associated companies	Year end balances		
	Provision for outstanding claims	10,105	6,648
	Due from contract holders	33,618	2,804
	Transactions during the year		
	Contribution underwritten	183,277	129,171
	Contribution collected	205,341	154,963
	Claims paid	19,341	26,101
	Investment sold	-	5,000
	Investment purchased	77,663	96,156
Key management personnel	Transactions during the year		
	Contribution underwritten	124	3
	Contribution collected	169	85
	Claims paid	-	234

32.1 The Particulars of the related parties other than employee retirement benefit plans, key management personnel and Directors of the Company at the reporting date has been disclosed in note 38.1 of the financial statements of Atlas Insurance Limited.

33. Segment reporting

The Operator has identified four (2024: four) primary operating / business segments for reporting purposes in accordance with the requirements of the Insurance Ordinance, 2000, General Takaful Accounting Regulations, 2019 and the Insurance Rules, 2017. These include fire and property damage, marine, aviation and transport, motor and miscellaneous class of operating / business segments. As per Insurance Rules, 2017, information for other segments under which business is less than 10%, is classified under miscellaneous class of operating / business segment.

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

33.1 Participants' Takaful Fund (PTF)

	December 31,									
	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees in thousand)									
Contribution receivable (inclusive of FED, FTF and administrative surcharge)	351,491	231,825	155,711	122,269	869,781	489,656	90,912	47,541	1,467,895	891,291
Less: Federal Excise Duty	48,908	30,836	18,418	14,782	118,518	65,088	10,824	5,556	196,668	116,262
Less: Federal Insurance Fee	3,160	2,039	1,305	1,106	7,613	4,258	794	416	12,872	7,819
Gross written contribution (inclusive of administrative surcharge)	299,423	198,950	135,988	106,381	743,650	420,310	79,294	41,569	1,258,355	767,210
Gross direct contribution	296,531	197,018	129,496	101,908	726,285	411,612	78,621	41,125	1,230,933	751,663
Facultative inward contribution	660	-	2,086	-	1,400	-	-	-	4,146	-
Administrative surcharge	2,232	1,932	4,406	4,473	15,965	8,698	673	444	23,276	15,547
	299,423	198,950	135,988	106,381	743,650	420,310	79,294	41,569	1,258,355	767,210
Wakala fees	(71,617)	(59,776)	(40,926)	(30,376)	(149,581)	(112,091)	(18,078)	(8,572)	(280,202)	(210,815)
Add: Takaful Contribution earned	238,974	197,117	136,321	101,396	548,293	411,559	60,444	28,757	984,032	738,829
Add: Takaful contribution ceded to retakaful	(206,310)	(165,360)	(76,483)	(50,058)	(52,169)	(42,813)	(12,406)	(10,104)	(347,368)	(268,335)
Net takaful contribution	(38,953)	(28,019)	18,912	20,962	346,543	256,655	29,960	10,081	356,462	259,679
Retakaful rebate	44,031	33,164	13,516	9,674	5,321	3,621	2,215	2,512	65,083	48,971
Net underwriting income	5,078	5,145	32,428	30,636	351,864	260,276	32,175	12,593	421,545	308,650
Takaful claims	(54,643)	(94,699)	(27,680)	(14,594)	(356,336)	(195,517)	(31,718)	(16,159)	(470,377)	(320,969)
Takaful claims recovered from retakaful	48,648	91,665	19,794	12,316	14,134	6,031	1,458	1,793	84,034	111,805
Net claims	(5,995)	(3,034)	(7,886)	(2,278)	(342,202)	(189,486)	(30,260)	(14,366)	(386,343)	(209,164)
Contribution deficiency expense	-	-	-	-	-	-	(2,064)	(1,190)	(2,064)	(1,190)
Direct expenses	(558)	(120)	(180)	(183)	(3,848)	(3,440)	(10)	(5)	(4,596)	(3,748)
(Deficit) / surplus before investment income	(1,475)	1,991	24,362	28,175	5,814	67,350	(159)	(2,968)	28,542	94,548
Investment income									89,724	145,816
Modarib's share of investment income									(22,431)	(36,454)
Surplus before taxation									95,835	203,910
Taxation									(26,244)	(42,651)
Surplus transferred to balance of PTF									69,591	161,259

	December 31,									
	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees in thousand)									
Corporate segment assets	54,638	29,256	24,746	15,583	135,366	61,554	414,352	273,370	629,102	379,763
Corporate unallocated assets									1,240,880	1,019,921
Total assets									1,869,982	1,399,684
Corporate segment liabilities	168,583	163,108	76,537	87,189	418,921	344,565	882,668	513,364	1,546,709	1,108,226
Corporate unallocated liabilities									7,782	45,874
Total liabilities									1,554,491	1,154,100

33.2 Operator's Fund (OPF)

	December 31,									
	Fire and property damage		Marine, aviation and transport		Motor		Miscellaneous		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees in thousand)									
Wakala fee	71,617	59,776	40,926	30,376	149,581	112,091	18,078	8,572	280,202	210,815
Commission expense	(36,881)	(25,010)	(26,653)	(14,848)	(43,474)	(28,253)	(4,887)	(2,287)	(111,895)	(70,398)
General, administrative and management expenses	(20,446)	(15,635)	(9,286)	(8,360)	(50,781)	(33,032)	(5,415)	(3,268)	(85,928)	(60,295)
	<u>14,290</u>	<u>19,131</u>	<u>4,987</u>	<u>7,168</u>	<u>55,326</u>	<u>50,806</u>	<u>7,776</u>	<u>3,017</u>	<u>82,379</u>	<u>80,122</u>
Investment income									19,473	19,692
Modarib's share of PTF investment income									22,431	36,454
Direct expenses									(2,788)	(1,865)
Other income									1,243	1,889
Profit before taxation									<u>122,738</u>	<u>136,292</u>
Taxation									<u>(47,947)</u>	<u>(53,479)</u>
Profit after taxation									<u>74,791</u>	<u>82,813</u>
Segment assets	95,146	95,767	43,224	51,220	236,345	202,306	93,614	51,108	468,329	400,401
Unallocated assets									221,757	179,412
Total assets									<u>690,086</u>	<u>579,813</u>
Segment liabilities	26,314	16,065	11,938	8,580	65,361	33,932	180,382	98,159	283,995	156,736
Unallocated liabilities									39,129	129,844
Total liabilities									<u>323,124</u>	<u>286,580</u>

34. Movement in investments

	Held to maturity	Available for sale	Total
	(Rupees in thousand)		
	OPF		
At beginning of previous year	155,000	-	155,000
Additions	785,000	96,156	881,156
Disposals (sale and redemptions)	(875,000)	(5,000)	(880,000)
Fair value net gain	-	8,584	8,584
At beginning of current year	65,000	99,740	164,740
Additions	345,000	27,663	372,663
Disposals (sale and redemptions)	(335,000)	-	(335,000)
Fair value net gain	-	(1,740)	(1,740)
At end of current year	<u>75,000</u>	<u>125,663</u>	<u>200,663</u>
	PTF		
At beginning of previous year	595,000	-	595,000
Additions	4,745,000	-	4,745,000
Disposals (sale and redemptions)	(4,550,000)	-	(4,550,000)
At beginning of current year	790,000	-	790,000
Additions	3,775,000	50,000	3,825,000
Disposals (sale and redemptions)	(3,750,000)	-	(3,750,000)
Fair value net gain	-	519	519
At end of current year	<u>815,000</u>	<u>50,519</u>	<u>865,519</u>

35. Fair value measurement of financial instruments - IFRS 9

Following is the fair value of financial assets as on December 31, 2025 under IFRS 9 classifications and the change in their fair value during the year ended December 31, 2025:

	Financial instruments with contractual cash flows that meet the SPPI criteria, excluding those held for trading			Other financial instrument
	Amortised cost*	Fair value through OCI	Total	
	(Rupees in thousand)			
Operator's Fund				
Term Deposits				
Opening fair value - December 31, 2024	65,000	-	65,000	-
Additions	345,000	-	345,000	-
Disposals	(335,000)	-	(335,000)	-
Closing fair value - December 31, 2025	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>-</u>

	Financial instruments with contractual cash flows that meet the SPPI criteria, excluding those held for trading			Other financial instrument
	Amortised cost*	Fair value through OCI	Total	
	(Rupees in thousand)			
Operator's Fund				
Mutual Funds				
Opening fair value - December 31, 2024	-	99,740	99,740	-
Additions	-	27,663	27,663	-
Increase in fair value - net	-	(1,740)	(1,740)	-
Disposals	-	-	-	-
Closing fair value - December 31, 2025	-	125,663	125,663	-

The fair value of the remaining financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate. These include insurance debtors and other short term receivables amounting to Rs. 395,466 thousand (2024: Rs. 366,569 thousand) and balances with banks amounting to Rs. 15,999 thousand (2024: Rs. 9,867 thousand), respectively.

	Financial instruments with contractual cash flows that meet the SPPI criteria, excluding those held for trading			Other financial instrument
	Amortised cost*	Fair value through OCI	Total	
	(Rupees in thousand)			
Participant's Takaful Fund				
Term Deposits				
Opening fair value - December 31, 2024	790,000	-	790,000	-
Additions	3,775,000	-	3,775,000	-
Disposals	(3,750,000)	-	(3,750,000)	-
Closing fair value - December 31, 2025	815,000	-	815,000	-

Mutual Funds

Opening fair value - December 31, 2024	-	-	-	-
Additions	-	50,000	50,000	-
Increase in fair value - net	-	519	519	-
Disposals	-	-	-	-
Closing fair value - December 31, 2025	-	50,519	50,519	-

The fair value of the remaining financial assets are not significantly different from their carrying amounts since these assets are short term in nature or are frequently repriced to market rate. These include insurance debtors and other short term receivables amounting to Rs. 676,408 thousand (2024: Rs. 549,612 thousand) and balances with banks amounting to Rs. 375,361 thousand (2024: Rs. 229,921 thousand), respectively.

36. Risk management

The primary objective of the Operator's risk and financial management framework is to protect the Operator's shareholder from the events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognizes the critical importance of having efficient and effective risk management system in place.

The Board of Directors (the Board) meet regularly to approve any commercial, regulatory and organizational decisions. The Chief Executive Officer under the authority delegated from the Board of Directors defines the Operator's risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, aligns underwriting and retakaful strategy to the corporate goals, and specifies reporting requirements.

The risks faced by the Operator and the way these risks are mitigated by management are summarized below:

	Note
a) Financial risk, categorized into:	
- Credit risk	36.1.1
- Liquidity risk	36.1.2
- Market risk	36.1.3
b) Capital adequacy risk	36.2
c) Takaful risk	36.3

36.1 Financial risk

The Operator's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest / mark-up rate risk and price risk).

The Operator's principal financial risk instruments are financial investments, receivables arising from takaful and retakaful contracts, statutory deposits and cash and cash equivalents. The Operator does not enter into any derivative transactions.

The Operator's financial risk focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Financial risks arising from the Operator's financial assets and liabilities are limited. The Operator consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

36.1.1 Credit risk

Credit risk is the risk that arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Operator attempts to control credit risk by monitoring the following:

- Credit worthiness of counter party;
- Aging analysis of counter party.

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

<u>Financial assets</u>	<u>Note</u>	<u>2025</u>	<u>2024</u>
		<u>(Rupees in thousand)</u>	
Bank balances	36.1.1.1	391,360	239,788
Takaful / retakaful receivables	36.1.1.3	222,584	94,328
Retakaful recoveries against outstanding claims	36.1.1.3	49,794	69,268
		<u>663,738</u>	<u>403,384</u>

36.1.1.1 The credit quality of bank balances can be assessed with reference to external credit ratings as follows:

	<u>Rating</u>		<u>Rating Agency</u>	<u>2025</u>	<u>2024</u>
	<u>Short-term</u>	<u>Long-term</u>		<u>(Rupees in thousand)</u>	
Askari Bank Limited	A1+	AA+	PACRA	40,921	36,053
Bank Alfalah Limited	A1+	AAA	PACRA	21,693	3,915
Sindh Bank Limited	A-1+	AA	VIS	1,625	768
Meezan Bank Limited	A-1+	AAA	VIS	9,583	22,512
Bank Islami Pakistan Limited	A1	AA-	PACRA	15,843	4,671
Faysal Bank Limited	A1+	AA	PACRA	71,487	17,388
Bank Al-Habib Limited	A1+	AAA	PACRA	177,722	153,596
United Bank Limited	A-1+	AAA	PACRA	24,251	-
Allied Bank Limited	A1+	AAA	PACRA	626	-
National Bank Limited	A1+	AAA	PACRA	27,609	885
				<u>391,360</u>	<u>239,788</u>

36.1.1.2 The Operator monitors exposure to credit risk in contribution due from policy holders and amount due from cotakaful operators and retakaful operators through regular review of credit exposure. The amount due from cotakaful operators/companies and retakaful operators / companies represents low credit risk as they have strong credit ratings and have sound financial stability.

The aging analysis of contributions due from policy holders can be assessed with the following:

	<u>2025</u>			<u>2024</u>		
	<u>Related parties</u>	<u>Others</u>	<u>Total</u>	<u>Related parties</u>	<u>Others</u>	<u>Total</u>
	<u>(Rupees in thousand)</u>					
Up to 1 year	33,618	61,675	95,343	2,804	39,517	42,321
Over 3 years	-	-	-	-	-	-
Less: provision	-	(546)	(546)	-	(546)	(546)
	<u>33,618</u>	<u>61,179</u>	<u>94,797</u>	<u>2,804</u>	<u>38,971</u>	<u>41,775</u>

36.1.1.3 The credit quality of amount due from other takaful / retakaful and retakaful recoveries against outstanding claims can be assessed with reference to external ratings as follows:

	Amount due from Takaful / Other retakaful Operators	Retakaful recoveries against outstanding claims	Total
	(Rupees in thousand)		
As at December 31, 2025			
BB+ or above	222,584	49,794	272,378
	<u>222,584</u>	<u>49,794</u>	<u>272,378</u>
As at December 31, 2024			
BB+ or above	94,328	69,268	163,596
	<u>94,328</u>	<u>69,268</u>	<u>163,596</u>

The credit risk of retakaful recoveries against outstanding claims can be assessed with the following age analysis, estimated in a manner consistent with the provision for outstanding claims, in accordance with the retakaful contracts:

The aging analysis of retakaful recoveries against outstanding claims is shown below:

	2025		2024	
	Retakaful recoveries against outstanding claims	Outstanding Claims including (IBNR)	Retakaful recoveries against outstanding claims	Outstanding Claims including (IBNR)
	(Rupees in thousand)			
Up to 1 year	20,215	157,215	59,296	125,630
1 to 2 years	20,664	50,212	1,974	11,685
2 to 3 years	931	11,962	6,967	10,021
Over 3 years	7,984	14,830	1,031	4,159
	<u>49,794</u>	<u>234,219</u>	<u>69,268</u>	<u>151,495</u>

36.1.2 Liquidity risk

Liquidity risk is the risk that the Operations will not be able to meet its financial obligations as they fall due. The Operations' approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the operation's reputation. The following are the contractual maturities of financial liabilities based on the remaining period at the reporting date to maturity date.

On the balance sheet date, cash and bank deposits had insignificant change in value of Rs. 15,999 thousands and Rs. 375,361 thousands for Operator and Participants' Fund respectively.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	2025			
	On demand	Maturity up to one year	Maturity after one year	Total
	(Rupees in thousand)			
Operator's Fund				
Other creditors and accruals	-	110,408	-	110,408
Participant's Takaful Fund				
Outstanding claims including IBNR	-	234,219	-	234,219
Takaful / retakaful payables	-	175,120	-	175,120
Other creditors and accruals	-	26,343	-	26,343
Payable to OPF	-	394,891	-	394,891
Income tax liabilities	-	7,580	-	7,580
	<u>-</u>	<u>838,153</u>	<u>-</u>	<u>838,153</u>

	2024			Total
	On demand	Maturity up to one year	Maturity after one year	
(Rupees in thousand)				
Operator's Fund				
Other creditors and accruals	-	61,842	-	61,842
Participant's Takaful Fund				
Outstanding claims including IBNR	-	151,495	-	151,495
Takaful / retakaful payables	-	186,634	-	186,634
Other creditors and accruals	-	14,570	-	14,570
Payable to OPF	-	364,978	-	364,978
Income tax liabilities	-	45,874	-	45,874
	-	763,551	-	763,551

36.1.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as interest rates, foreign exchange rates and equity prices.

The Operator is exposed to market risk with respect to its bank balance deposits.

The Operator limits market risk by maintaining a diversified portfolio of money market and equity market and by continuous monitoring of developments in respective markets. The Operator has formulated a liquidity-risk based investment policy approved by the Board which contains various guidelines for investment of surplus funds in money market and equity market.

36.1.3.1 Interest rate risk

Interest rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. Floating rate instruments expose the Operator to cash flow interest risk, whereas fixed interest rate instrument exposes the Operator to fair value interest risk.

Sensitivity to interest rate risk arises from mismatching of financial assets and liabilities that mature or re-price in a given period. The Operator manages these mismatching through risk management strategies where significant changes in gap position can be adjusted.

At the date of statement of financial position, the interest rate profile of the Operator's significant interest bearing financial instruments was as follows:

	Effective Interest rate	2025			
		Carrying amounts Maturity up to one year		Carrying amounts Maturity after one year	
		OPF	PTF	OPF	PTF
Financial assets		(Rupees in thousand)			
Bank balances	2.54% to 10.90%	15,999	375,361	-	-
Term deposit receipt	9.00% to 9.65%	75,000	815,000	-	-
		90,999	1,190,361	-	-

	Effective Interest rate	2024			
		Carrying amounts Maturity up to one year		Carrying amounts Maturity after one year	
		OPF	PTF	OPF	PTF
Financial assets		(Rupees in thousand)			
Bank balances	2.48% to 14.52%	9,867	229,921	-	-
Term deposit receipt	11.00% to 20.70%	65,000	790,000	-	-
		74,867	1,019,921	-	-

36.1.3.3 Foreign Currency risk

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

36.2 Capital adequacy risk

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

36.1.3.2 Price risk

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

The Funds are exposed to price risk since it has investments amounting to Rs. 176.18 million (2024: Rs. 100 million) at the statement of financial position date.

36.3 Takaful risk

The Operator's takaful activities are primarily concerned with the pricing, acceptance and management of risks from its customers. In accepting risks the Operator is committing to the payment of claims and therefore these risks must be understood and controlled. Disciplined underwriting, encompassing risk assessment, risk management, pricing and exposure control is critical to the Operator's success. The Operator manages these risks through its underwriting strategy, adequate retakaful arrangements and proactive claims handling.

The Operator is facing three kinds of risk in its takaful activities, namely;

	Note
- Contribution Risk	36.3.1
- Claim Risk	36.3.2
- Retakaful Risk	36.3.3

36.3.1 Contribution risk

The takaful strategy aims to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. Pricing is generally based upon risk quality, historical claims frequencies, claims averages, adjusted for inflation and imposition of deductibles. Risk inspection surveys are also conducted before acceptance of larger risks. Underwriting limits and guidelines are in place to enforce appropriate risk selection criteria.

The Operator manages the takaful risk arising from the geographical concentration of risk with the help of various MIS reports generated from the IT system. For this purpose all critical takaful information including address lookups and geocoding is punched into the IT system. For example, for catastrophic aggregates, the IT system assigns precise geographic codes with reference to the accumulation of sum insured in force at any particular location against natural perils. For marine aviation and transport risks, complete takaful details, besides sum insured and contributions, like vessel identification, voyage input (sea / air / inland transit), sailing dates, origin and destination of the shipments, per carry limits, etc. are fed into the IT system.

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

The following table demonstrates the class wise concentration of risk on the basis of sum insured:

	PTF			
	Gross sum insured		Net sum insured	
	2025	2024	2025	2024
Fire and property damage	48%	50%	10%	11%
Marine, aviation and transport	37%	39%	57%	70%
Motor	7%	6%	22%	18%
Miscellaneous	8%	5%	11%	1%
	100%	100%	100%	100%

36.3.2 Claim risk

One of the purposes of takaful is to enable policyholders to protect themselves against uncertain future events. Takaful companies accept the transfer of uncertainty from policyholders and seek to add value through the aggregation and management of these risks. The uncertainty inherent in takaful is inevitably reflected in the financial statements of takaful companies and can be characterized under a number of specific headings, such as;

- Uncertainty as to whether an event has occurred which would give rise to an insured loss.
- Uncertainty as to the extent of policy coverage and limits applicable.
- Uncertainty as to the amount of insured loss suffered by a policyholder as a result of the event occurring.
- Uncertainty over the timing of a settlement to a policyholder for a loss suffered.

Therefore the objective of the Operator is to ensure that sufficient reserves are available to cover these uncertainties and in case of any change in estimation due to further development on uncertainty or change on assumptions, Operator accounts for that change immediately.

Claims provisions are determined based upon previous claims experience, the knowledge of events and the terms and conditions of the relevant policies and on interpretation of circumstances. Particularly relevant is experience with similar cases and historical claims payment trends. It should be emphasized that corroborative evidence obtained from as wide a range of sources as possible also contribute to form the overall estimate. Large claims impacting each relevant business class are generally assessed separately, being measured at the face value of the surveyor's estimates.

Operator has reasonably accounted for claims that have occurred by the end of the reporting period but remain unsettled and for those that may have occurred but have not yet been notified to the operator and those that are not yet apparent to the insured. The Operator's policy for accounting of its claims has been disclosed in note 4.15 of these financial statements.

Sensitivity analysis

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

As the Operator enters into short term takaful contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on underwriting results and on participants' surplus due to 10% change in claim expense.

	PTF			
	Underwriting results		Participants' surplus	
	2025	2024	2025	2024
	(Rupees in thousand)			
Fire and property damage	(600)	(303)	(600)	(303)
Marine, aviation and transport	(789)	(228)	(789)	(228)
Motor	(34,220)	(18,949)	(34,220)	(18,949)
Miscellaneous	(3,026)	(1,437)	(3,026)	(1,437)
	<u>(38,635)</u>	<u>(20,917)</u>	<u>(38,635)</u>	<u>(20,917)</u>

36.3.3 Retakaful risk

The Operator purchases retakaful as part of its risks mitigation program. Retakaful ceded is placed on both proportional and non-proportional basis. The majority of proportional retakaful is quota share reinsurance which is taken out to reduce the overall exposure of the Operator to certain classes of business. Non-proportional reinsurance is primarily excess of loss reinsurance designed to mitigate the Operator's net exposure to catastrophe losses. Retention limits for the excess of loss retakaful vary by product line. The Operator also arranges the local and foreign facultative retakaful as part of its risk management strategy.

Although the Operator has retakaful arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded takaful, to the extent that any retakaful is unable to meet its obligations assumed under such retakaful agreements. The Operator's placement of retakaful is diversified such that it is neither dependent on a single retakaful nor are the operations of the Operator substantially dependent upon any single retakaful contract. Operator's strategy is to seek retakaful with the best combination of financial strength, price and capacity. In compliance of the regulatory requirement, the retakaful agreements are duly submitted with SECP on an annual basis.

37. Fair value measurement of financial instruments

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

Underlying the definition of fair value is the presumption that the operator is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the operator to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

Note	Carrying amount						Total
	Available for sale	Fair value through profit or loss	Held to Maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	
December 31, 2025							
(Rupees in thousand)							
Financial assets - measured at fair value							
Investments - Mutual funds	7	176,182	-	-	-	-	176,182
Financial assets - not measured at fair value							
Investments - Term deposits	8	-	890,000	-	-	-	890,000
Loans and other receivables		-	-	2,342	-	-	2,342
Takaful / retakaful receivables*	9	-	-	222,584	-	-	222,584
Receivable from PTF*	11	-	-	394,891	-	-	394,891
Retakaful recoveries against outstanding claims*	21	-	-	49,794	-	-	49,794
Cash and bank*	13	-	-	-	391,360	-	391,360
		-	-	669,611	391,360	-	1,950,971
Financial liabilities - measured at fair value							
		-	-	-	-	-	-
Financial liabilities - not measured at fair value							
Underwriting provisions							
Outstanding claims including IBNR*	21	-	234,219	234,219	-	-	-
Takaful / retakaful payables*	15	-	175,120	175,120	-	-	-
Other creditors and accruals*	17	-	136,751	136,751	-	-	-
Payable to OPF*	11	-	394,891	394,891	-	-	-
		-	940,981	940,981	-	-	-

* The fair value of these financial assets are not significantly different from their carrying amounts since these assets are either short term in nature or are frequently repriced to market rate.

	Fair Value			
	Level 1	Level 2	Level 3	Total
December 31, 2025				
(Rupees in thousand)				
Financial assets - measured at fair value				
Investments - Mutual funds	176,182	-	-	176,182
Financial assets - not measured at fair value				
Investments - Term deposits	-	890,000	-	890,000
Loans and other receivables	-	-	-	-
Takaful / retakaful receivables*	-	-	-	-
Receivable from PTF*	-	-	-	-
Retakaful recoveries against outstanding claims*	-	-	-	-
Cash and bank*	-	-	-	-
	-	890,000	-	890,000
Financial liabilities - measured at fair value				
	-	-	-	-
Financial liabilities - not measured at fair value				
Underwriting provisions	-	-	-	-
Outstanding claims including IBNR*	-	-	-	-
Takaful / retakaful payables*	-	-	-	-
Other creditors and accruals*	-	-	-	-
	-	-	-	-

Note	Carrying amount						Total
	Available for sale	Fair value through profit or loss	Held to Maturity	Receivables and other financial assets	Cash and cash equivalents	Other financial liabilities	
December 31, 2024							
(Rupees in thousand)							
Financial assets - measured at fair value							
Investments - Mutual funds	7	99,740	-	-	-	-	99,740
Financial assets - not measured at fair value							
Investments - Term deposits	8	-	855,000	-	-	-	855,000
Loans and other receivables		-	-	1,553	-	-	1,553
Takaful / retakaful receivables*	9	-	-	94,328	-	-	94,328
Receivable from PTF*	11	-	-	364,978	-	-	364,978
Retakaful recoveries against outstanding claims*	21	-	-	69,268	-	-	69,268
Cash and bank*	13	-	-	-	239,788	-	239,788
		-	-	530,127	239,788	-	1,624,915
Financial liabilities - measured at fair value							
		-	-	-	-	-	-
Financial liabilities - not measured at fair value							
Underwriting provisions							
Outstanding claims including IBNR*	21	-	-	-	-	151,495	151,495
Takaful / retakaful payables*	15	-	-	-	-	186,634	186,634
Other creditors and accruals*	17	-	-	-	-	76,412	76,412
Payable to OPF*	11	-	-	-	-	364,978	364,978
		-	-	-	-	779,519	779,519

* The fair value of these financial assets are not significantly different from their carrying amounts since these assets are either short term in nature or are frequently repriced to market rate.

	Fair Value			
	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
December 31, 2024				
Financial assets - measured at fair value				
Investments - Mutual funds	99,740	-	-	99,740
Financial assets - not measured at fair value				
Investments - Term deposits	-	855,000	-	855,000
Loans and other receivables	-	-	-	-
Takaful / retakaful receivables*	-	-	-	-
Receivable from PTF*	-	-	-	-
Retakaful recoveries against outstanding claims*	-	-	-	-
Cash and bank*	-	-	-	-
	-	855,000	-	855,000
Financial liabilities - measured at fair value				
	-	-	-	-
Financial liabilities - not measured at fair value				
Underwriting provisions	-	-	-	-
Outstanding claims including IBNR*	-	-	-	-
Takaful / retakaful payables*	-	-	-	-
Other creditors and accruals*	-	-	-	-
	-	-	-	-

38. Number of employees

The number of employees as at year end 2 (2024: 2) and average number of employees during the year was 2 (2024: 2).

39. Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made.

40. Subsequent events - non adjusting

There are no significant events that need to be disclosed for the year ended December 31, 2025.

41. Date of authorization

These financial statements were authorized for issue on February 26, 2026, 2025 by the Board of Directors of the Operator.

42. General

Figures have been rounded off to nearest thousand of rupees, unless otherwise stated.



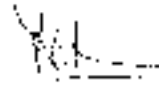
Muhammad Aasim Gul
Chief Financial Officer



Babar Mahmood Mirza
Chief Executive



Ali H. Shirazi
Director



Fahim Ali Khan
Director



Iftikhar H. Shirazi
Chairman

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OTHER *INFORMATION*



GENDER PAY GAP STATEMENT

Following is the gender pay gap calculated for the year ended December 31, 2025:

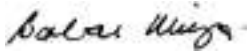
(i) Mean Gender Pay Gap: 29.21%

(ii) Median Gender Pay Gap: 15.94%

(iii) Any other data / details as deemed relevant:

The above ratios reflect the overall employees gender pay gap across the organization. The Company provides equitable compensation for female members in their respective roles, based on experience, qualifications and performance.

For and on behalf of Board of Directors



Babar Mahmood Mirza
Chief Executive Officer

Lahore: February 26, 2026

COMPANY OFFICES

Head Office

63/A, Block - XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore.	UAN: PABX: Fax:	042-111-245-000 (042) 37132611-18, (042) 37132622
BABAR MAHMOOD MIRZA Chief Executive Officer	Direct: Fax:	(042) 37132600 - 01 (042) 37132623
MUHAMMAD AASIM GUL Chief Financial Officer	Direct: Extension:	(042) 37132630 312
RASHID AMIN General Manager Business Development	Direct: Extension:	(042) 37132621 715
MUHAMMAD SAEED General Manager Claims	Direct: Extension:	(042) 37132608 777
QUDSIA NAHEED General Manager HR & Admin	Direct: Extension:	(042) 37132606 717
SYED IRTIZA ABBAS KAZMI General Manager Underwriting	Direct: Extension:	(042) 37132604 718
ABDUL RAZZAQ GHOURI General Manager IT	Direct: Extension:	(042) 37132605 738
SYED NASIR HUSSAIN General Manager Reinsurance	Direct: Extension:	(042) 37132603 758
SALEEM MEHMOOD Chief Internal Auditor	Extension:	737
MUHAMMAD MUSTANSAR RAUF Head of Window Takaful	Extension:	314
OMER YOUSAF Compliance Officer	Extension:	313
ALI RIAZ Chief Information Security Officer	Extension:	748

NORTH ZONE OFFICES & BRANCHES

LAHORE

CH. TAYYAB HUSSAIN Senior Deputy General Manager	City Branch 64/A, Block - XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore.	(042) 37132624 - 26 37132628 - 29 Fax: (042) 37132627
MUHAMMAD MUNIR QAZI Deputy General Manager	Gulberg Branch Office No. 305, 3rd Floor, Arcade 38 - G, Gulberg - II, Lahore.	(042) 35775732 - 34 Fax: (042) 35714514
MUHAMMAD IJAZ Assistant General Manager	Al-Noor Branch Al-Noor Building, 43-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore.	(042) 37237343 Fax: (042) 37358805
KH. MUHAMMAD NADEEM Assistant General Manager	Napier Road Branch Nairobi Mansion, Napier Road, Lahore.	(042) 37358190 Fax: (042) 37352560
MUHAMMAD WASEEM PURI Assistant General Manager	Mall Road Branch Office No.412, 4th Floor, Al-Hafeez Business Centre, 89-B/III, Gulberg-3, Lahore.	(042) 35765513 - 14
CH. ZEESHAN AHMED Chief Manager	Main Boulevard Branch Office No-6, 2nd Floor, Al-Hafeez View, 67-D/1, Sir Syed Road, Gulberg-III, Lahore.	(042) 35784309 Fax: (042) 35784310
MUSHTAQ AHMED Senior Deputy General Manager	DHA Branch 1st Floor, Plaza No. 103-CCA, Block DD, Phase 4, DHA, Lahore.	(042) 37196606 - 07

MUBASHIR EHSAN Assistant General Manager	MM Alam Road Branch Office No.311, 3rd Floor Al-Hafeez Business Centre, 89-B/III Gulberg-III, Lahore.	(042) 35750685 - 86
RAZA IQBAL Deputy General Manager	Firdous Market Branch Office No. 10-11, Mezzanine Floor, Al-Hafeez Executive 30-III, m, Ali Zeb Road, Gulberg-III, Lahore.	(042) 37881747, 37881611
MUHAMMAD TAQI Assistant General Manager	Garden Town Campus Branch-I. 1st Floor, 230 Ahmed Block, Garden Town Lahore.	(042) 35442704, 35442705
MUHAMMAD ASHRAF Senior Manager	Garden Town Campus Branch-II. 1st Floor, 230 Ahmed Block, Garden Town Lahore.	(042) 35442706, 35442707
RAWALPINDI		
SALMAN MUZAFFAR SHAIKH Senior Deputy General Manager	Rawalpindi Branch Office No. 02 Ground Floor, Elite Plaza, Kamran Market, Saddar, Rawalpindi.	(051) 5563413, 5798083 Fax: (051) 5798083
SYED MANZAR ALI NAQVI Senior Manager		
FAWAD HABIB Senior Deputy General Manager	Rawalpindi Branch - II Office No. SF-18/B, 2nd Floor, Majeed Plaza, Bank Road, Rawalpindi.	(051) 5700460, 5700463 Fax: (051) 5700459
FAISALABAD		
MUHAMMAD ASIF AKRAM Assistant General Manager	Faisalabad Branch 123-B, People's Colony No. 1, D - Ground, Faisalabad.	(041) 8721256, 8734176 8546338, 8735080 Fax: (041) 8732499
IRSHAD FARRUKH BHATTI Deputy General Manager	Business Center Branch Office No. 38-B, Peoples Colony No. 1, Ground Floor, Near Hariyan Wala Chowk, Faisalabad.	(041) 8719978, 8729978, 8739978 Fax: (041) 5243646
SIALKOT		
REHAN NAZIR GHUMAN Assistant General Manager	Sialkot Branch Office No.405, 3rd Floor, Al-Khalil Centre, Kashmir Road, Sialkot.	(052) 3550450, 3550460 Fax: (052) 3550470
ISLAMABAD		
ASIM MAJEED Deputy General Manager	Islamabad Branch Office No. 203, 2nd Floor, Muhammad Gulistan Khan House, Suited at 82-East, Fazal-e-Haq Road, Blue Area, Islamabad.	(051) 2347047 - 48 Fax: (051) 2804115
ZAHEER RASHEED Deputy General Manager	Islamabad - II Branch Office No. 10, 3rd Floor, Huzaifia Centre, Plot No. 32, Sector I-8, Islamabad.	(051) 2722223 - 24 Fax: (051) 4861770
OMAR JAVID Assistant General Manager	Islamabad - III Branch Office No. 10&11, Mezzanine Floor, (1-C) Muhammadi Plaza, Jinnah Avenue, Blue Area, Islamabad.	(051) 2726523 (051) 2810362
SAHIWAL		
RANA MUHAMMAD AAMIR NAZ Assistant General Manager	Sahiwal Branch Room No. 1 & 2, 1st Floor, House No. 407- Stadium Road, Sahiwal.	(040) 4222266 Fax: (040) 4033316
MULTAN		
HAMID ALI JANJUA Assistant General Manager	Multan Branch Atlas Honda Building Azmat Wasti Road, Multan.	(061) 4544494 Fax: (061) 4544498
DERA GHAZI KHAN		
NISAR AHMED Office Incharge	Dera Ghazi Khan Branch 1st Floor Mohib Traders, Opposite Ghazi Medical College, Jampur Road, Dera Ghazi Khan.	(064) 2403699

PESHAWAR

SARDAR MUAHMAD ASAD
Senior Manager

Peshawar Branch
Office at 2nd Floor, Bhattani Plaza,
3A Park Avenue University Town,
Peshawar.

(091) 5840033

SOUTH ZONE OFFICE

Ground Floor, Federation House,
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BABAR MAHMOOD MIRZA
Chief Executive Officer

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201

ABBAS SAJJAD
General Manager Sales & Marketing

Direct:
Extension:

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203

MUHAMMAD AFZAL
Company Secretary

Direct:
Extension:

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202

M. WAQARUDDIN RAUF
Head of Underwriting - ZO

Direct:
Extension:

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204

**SOUTH ZONE BRANCHES
KARACHI**

M. FAROOQ KANDLAWALA
Deputy General Manager

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Fax: (021) 32315248

ABDUL AZIZ
Deputy General Manager

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Fax: (021) 32462132

IMRAN SATTAR
Deputy General Manager

Plaza Branch
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INAYATULLAH
Assistant General Manager

New Challi Branch
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Fax: (021) 32412795

MUHAMMAD ASHRAF KHAN
Assistant General Manager

New Challi Branch II
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NOUMAN UDDIN
Assistant General Manager

DHA Branch
Office No. 18-C, 2nd Floor,
Phase - VII, Kayaban-e-Jami,
DHA, Karachi.

(021) 35319393-94
Fax: (021) 35319395

MUHAMMAD IQBAL
Assistant General Manager

Shahrah-e-Faisal Branch
Bangalow - 245/2/O,
Shahrah-e-Faisal Road,
Block 6 PECHS, Karachi.

(021) 34554188
(021) 34554288

HYDERABAD

ZAFAR AHMAD GHOURI
Deputy General Manager

Hyderabad Branch
United Complex, Mezzanine Floor,
Latifabad No. 07, Hyderabad.

(022) 3814084, 3814122

SUKKUR

ABDUL MAJEED QURESHI
Assistant General Manager

Sukkur Branch
Near Public School,
Military Road,
Sukkur.

(071) 5631056
Fax: (071) 5631057

GLOSSARY

Actuary	Qualified expert who analyses problems from the area of insurance, investments and pensions using methods of probability theory and financial mathematics, and develops solutions with due regard to legal and economic parameters.
Actuarial valuations	A determination by an actuary at a special date of the value of a Company's assets and its liabilities.
Amortization	Reduction of the value of an asset by prorating its cost over a period.
Associate	Is a Company in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.
Authorized share capital	Maximum value of share capital that a Company can legally issue.
Bonus shares	Free shares issued to shareholders.
Book value	The value of an asset as entered in a Company's books.
Budget	An estimate of income and expenditure for a set period of time.
Capital expenditure	Cost of long-term improvements and fixed assets.
Capital gain	Is a rise in the value of a capital asset that gives it a higher worth than the purchase price.
Capital reserves	Any reserve not regarded free for distribution by way of dividends.
Cedant	Client of a reinsurance Company.
Combined ratio	Percentage ratio of the sum of net claims plus management expenses and net commission to net premiums earned. It corresponds to the sum of the loss ratio, commission ratio and the expense ratio.
Commission	Remuneration to an intermediary for services such as selling and servicing an insurer's products.
Consumer online portal	An internet window presence for selling retails consumer products.
Claims	Amount payable under a contract of insurance arising from occurrence of an insured event.
Claims incurred	Aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate, adjusted by the gross claims reserve at the beginning and end of the accounting period.
Corporate social responsibility	A process with the aim to embrace responsibility for the Company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, and all other members of the public who may also be considered as stakeholders.
CPEC	China – Pakistan Economic Corridor (CPEC) is a collection of infrastructure projects currently under construction in Pakistan.
Deferred commission	Expenses which vary with and are primarily related to the acquisition of new insurance contracts and renewal of existing contracts, which are deferred as they relate to a period of risk subsequent to the Balance Sheet date.
Deferred tax	An accounting concept (also known as future income taxes) meaning a future tax liability or asset in respect of taxable temporary differences.
Defined benefit plans	Post-employment benefit plans other than defined contribution plans.
Depreciation	Is the systematic allocation of the cost of an asset over its useful life.
Dividend cover	Profit after tax divided by dividend, measures the number of times dividends are covered by distributable profit for the period.
Doubtful debts	A debt where circumstances have rendered its ultimate recovery uncertain.
Earnings per share	Amounts for profit per share attributable to ordinary shareholders of the entity.
Equity method	Method of accounting whereby the investment is initially recognised at cost and adjusted hereafter for the post-acquisition change in the investor's share of net assets of the investee.
Exchange gain (loss)	Difference resulting from translating a given number of units of one currency into another currency at different exchange rates.
Facultative reinsurance	The reinsurer assumes a share of selected individual risks, the primary insurer can offer an individual risk in reinsurance, which the reinsurer for its part can either accept or decline.
Fair Value	Amount for which an asset could be exchanged, or a liability settled.

Fiscal deficit	When government's total expenditures exceed the revenue that it generates.
General insurance	All kinds of non-life insurance and takaful insurance i.e. fire and property damage, marine, aviation and transport, motor and miscellaneous - other insurance.
General takaful	Protection to participant for losses arising from perils such as accident, fire, flood, liability and burglary.
Gross contribution	It is the payment of an amount by a participant to the Takaful Participant Fund, whether direct, through intermediaries for the purpose of mutual protection and assistance.
Gross domestic products	The total value of goods produced and services provided in a country during fiscal year.
Gross written premium	Premium which an insurer is contractually entitled to receive from the insured in relation to contracts of insurance.
Group health insurance	A single health policy covering a group of individuals, usually employees of the same Company or members of the same association and their dependents.
Human resource development	A framework for the expansion of within an organization through the development of both the organization and the individual to achieve performance improvement.
Impairment	The amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.
Incurred But Not Reported (IBNR)	Claim incurred but not reported to the insurer until the reporting date of financial statements.
Inflation	A general increase in prices and fall in the purchasing value of money.
Insurance contracts	A contract under which one party (the insurer) accepts insurance risk from another party (the policyholder) by agreeing to compensate the policyholder for a specified uncertain future event.
Insurer Financial Strength Rating	Provides an assessment of the financial strength of an insurance Company.
Intangibles	An identifiable non-monetary asset without physical substance.
Internal control	An accounting procedure or system designed to promote efficiency or assure the implementation of a policy or safeguard assets or avoid fraud and error etc.
KIBOR	Karachi Interbank Offered Rate (KIBOR) is interbank clean (without collateral) lending / borrowing rates quoted by the banks.
Loss ratio	Percentage ratio of claims expenses to net premium.
Macroeconomics	Branch of economics dealing with the performance, structure, behavior, and decision-making of an economy as a whole.
Market share	The portion of a market controlled by a particular Company or product.
Market Treasury Bill	A negotiable debt instrument issued by State Bank of Pakistan on behalf of the Government of Pakistan with a maturity of one year or less.
Market value	Price that a buyer would pay and a seller would accept for an item in a competitive market.
MIS	Management Information System (MIS).
Mutual fund	The type of professionally managed investment fund that pools money from many investors to purchase securities.
National exchequer	The account into which tax funds and other public funds are deposited.
Net asset value	The value of total assets of a company minus its liabilities.
Net contribution	Gross contribution less all retakaful contribution payable.
Net premium revenue	Gross written premium less reinsurance expense.
Non-life insurance	Non-life insurance and general insurance have identical meaning.
Outstanding claims	A type of technical reserve or accounting provision in the financial statements of an insurer to provide for the future liability for claims.
Paid up capital	The amount paid or contributed by shareholders in exchange for shares of a company's stock.
Pakistan Investment Bonds	Long term instruments of the Government of Pakistan.

Participants	The participant is the contributing party to the Takaful Policy who is covered through the mutual protection and solidarity of the Takaful Policy.
Participant's takaful fund / Waqf fund	An account to credit a portion of contributions from the participant for the purpose of Tabarru'.
Premium	The amount that has to be paid for the insurance cover provided by an insurer.
Present value	Future amounts that have been discounted to the present.
Proxy	Power of attorney by which the shareholder transfers the voting rights to another shareholder.
Qard-e-Hasna	An interest free loan from the Takaful Operator to the Takaful Participant Fund in order to meet any shortfall that is created in the fund.
Quoted	Being listed on a stock exchange.
Registered office	An address which is registered with the government registrar as the official address of a company.
Reinsurance	A method of insurance arranged by insurers to share the exposure of risks accepted.
Reinsurance commission	Commission received or receivable in respect of premium paid or payable to a reinsurer.
Reinsurance premium	The premium payable to the reinsurer in respect of reinsurance contract.
Related party	Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.
Retakaful	A contract of which an operator procures a third party to cover against loss or liability by reason of such original takaful cover.
Retrocession	Transfer of risk from a reinsurer to another reinsurer.
Revenue reserves	Reserve that is normally regarded as available for distribution through the profit and loss account including general reserves and other specific reserves created out of profit and un-appropriated profit.
Risk	Condition in which there is a possibility of loss.
Risk management	Includes analyzing all exposures to gauge the likelihood of loss and choosing options to better manage or minimize loss.
Statutory levies	Fee charged (levied) by a government on a product, income or activity.
Strategic objective	A broadly defined objective that an organization must achieve to make its strategy succeed.
Subsequent event – non adjusting	Are events concerning conditions which arose after the balance sheet date, but which may be of such materiality that their disclosure is required to ensure that the financial statements are not misleading.
Tabarru	A portion of participant's contribution for the purpose of mutual helps and used to pay claims submitted by eligible claimants.
Takaful	An Islamic concept of insurance.
Takaful operator	A legal entity, who underwrites, administers and manages the Takaful program on behalf of the participants.
Takaful policy	The agreement entered into between the operator and the participant(s) for the purposes of Takaful arrangement.
Tangibles	An asset whose value depends on particular physical properties.
Term finance certificate	A debt instrument issued by an entity to raise funds.
Underwriting profit	This is the profit generated purely from the Insurance business without taking into account the investment income, other income and general & administration expenses.
Unearned premium	It represents the portion of premium already entered in the accounts as due but which relates to a period of risk subsequent to the balance sheet date.
Wakala	Islamic terminology for agent-principal relationship, where a person nominates another to act on his behalf.
Wakala based contract	A contract based on the principle of Wakala (agency).
Window takaful operator	A registered insurer authorized under SECP Takaful Rules, 2012 to carry on takaful business as window operations in addition to conventional insurance business.tt

 Shirazi Investments	1962
 Atlas Honda	1962
 Atlas Battery	1966
 Shirazi Trading	1975
 Atlas Insurance	1980*
 Atlas Engineering	1981*
HONDA Honda Atlas Cars	1992
HONDA Honda Atlas Power Product	1997
 Atlas Asset Management	2002
 Atlas Power	2007
 Atlas World Wide	2007
 Atlas Venture	2008
 Atlas Hitec	2012
 Atlas Global FZE	2015
 Atlas Energy	2016
 Atlas DID	2019
 Atlas GCI	2019
 Atlas Solar	2020
 Atlas Vocational Training Institute	2024
 Atlas Real Estate	2025

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FORM OF PROXY

I/we _____ of _____ being member(s) of Atlas Insurance Limited and holder(s) of _____ ordinary shares as per Registered Folio No. _____ hereby appoint _____ of _____ or failing him _____ of _____ as my / our proxy to attend, act and vote for me / us and on my / our behalf at the 91st Annual General Meeting of the Company to be held on April 20, 2026 at 11:00 a.m. at 63/A, Block-XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore, and at every adjournment thereof.

As witness my / our hand this ____ day of _____ 2026.

Signature: _____

Address: _____

Witness:

Signature: _____

Address: _____

Affix Revenue Stamp Signature
--

Notes:

1. A member entitled to attend and vote at the General Meeting of the Company is entitled to appoint proxy to attend and vote instead of him / her. No person shall act, as a proxy who is not a member of the company except that a institution may appoint a person who is not a member.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his / her constituted attorney or if such appointer is a corporation or company, under the common seal of such corporation or company.
3. The Form of proxy, duly completed, must be deposited at the Company's registered office, 63/A, Block-XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore at least 48 hours before the time of the Meeting.

Company Secretary
Atlas Insurance Limited
63/A, Block-XX,
Phase III (Commercial),
Khyaban-e-Iqbal, DHA,
Lahore

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پراکسی فارم

میں/ہم _____ سنہ _____ بطور اٹلٹس انشورنس لمیٹڈ کے رکن / ارکان _____
عمومی حصص کی ملکیت رکھتا ہوں / رکھتے ہیں جس کا رجسٹرڈ فونو نمبر _____ ہے۔ میں بطور پراکسی _____ سنہ _____
اور ان کی عدم موجودگی کی صورت میں _____ سنہ _____ جو خود بھی کمپنی کا رکن ہے / ہیں، کو بطور پراکسی مقرر کرتا ہوں / کرتے ہیں تاکہ وہ
میری / ہماری جگہ اور میری / ہماری جانب سے کمپنی کے 91 ویں عام اجلاس، جو کہ 20 اپریل 2026 کی دن 11:00 بجے بمقام 63/A، بلاک XX، فیز III (کرسٹل)، خیابان اقبال، ڈی ایچ اے، لاہور
میں منعقد ہو رہا ہے۔ اس میں یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔
دن _____ مہینہ _____ 2026 کو مجھے / ہمیں ثبوت دیا گیا ہے۔

دستخط: _____

پتا: _____

گواہ:

دستخط: _____

پتا: _____

درست رقم کا ٹکٹ
چسپاں کریں
دستخط

نوٹ:

- 1- کمپنی کے عام اجلاس میں شرکت اور ووٹ کا حقدار رکن اپنی جگہ شرکت اور ووٹ کے لئے پراکسی مقرر کرنے کا حقدار ہے۔ کوئی بھی شخص جو کمپنی کا رکن نہیں ہے اسے بطور پراکسی مقرر نہیں کیا جاسکتا سوائے اُس شخص کے جسے کوئی ادارہ رکن نہ ہونے پر مقرر کرے۔
- 2- پراکسی مقرر کرنے کا تقرر نامہ کسی مجاز آفیسر سے تصدیق شدہ تحریر میں ہونا چاہئے اور اگر ایسا تقرر کنندہ کوئی کارپوریشن یا کمپنی ہو تو کارپوریشن یا کمپنی ہذا سے تصدیق کیا گیا ہو۔
- 3- پراکسی کا مکمل پُر شدہ فارم کمپنی کے رجسٹرڈ آفس 63/A، بلاک XX، فیز III (کرسٹل)، خیابان اقبال، ڈی ایچ اے، لاہور میں اجلاس کے مقرر کردہ وقت سے کم از کم 48 گھنٹے پہلے جمع کروانا لازمی ہوگا۔

درست رقم کا ٹکٹ
چسپاں کریں

کمپنی سیکریٹری
اٹلس انشورنس لمیٹڈ
63/A، بلاک XX، فیزا III (کمرشل)،
خیابان اقبال، ڈی ایچ اے، لاہور

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KEEP THE FAITH
WIDE RANGE OF
SHARIAH COMPLIANT
GENERAL TAKAFUL PRODUCTS





Atlas Insurance Limited

63/A, Block-XX, Phase III (Commercial)

Khayaban-e-Iqbal, DHA, Lahore.

UAN: 111-245-000 (KHI & LHR)

Tel: (92-42) 37132611 - 18

Fax: (92-42) 37132622

Email: info@ail.atlas.pk

Website: www.ail.atlas.pk