



74th ANNUAL
REPORT 2025

بمیشہ کالتہ

CONTENTS

Company Information	
02	Vision/ Mission Statement
03	Core Values
04	Company Information
06	Our Journey
07	Board of Directors
Investor Information	
08	Key Operating and Financial Data
Corporate Governance	
09	Chairman's Review
11	Report of the Directors to Members
20	Our Commitment to Gender Diversity and Pay Equity
21	Statement of compliance with the Code of Corporate Governance for Insurers, 2016
26	Review Report on the Statement of Compliance with Code of Corporate Governance
Financial Statements	
27	Auditors' Report to the Members
33	Statement of Financial Position
34	Statement of Profit and Loss
35	Statement of Comprehensive Income
36	Statement of Changes in Equity
37	Statement of Cash Flows
39	Notes to and Forming Parts of the Financial Statements
Financial Statement (Window Takaful)	
97	Auditors' Report to the Members
101	Annual Shariah Review Report
103	Statement of Financial Position
104	Statement of Profit and Loss
105	Statement of Comprehensive Income
106	Statement of Changes in Fund
107	Statement of Cash Flows
109	Notes to and Forming Part of the Financial Statements
148	Pattern of Shareholding
150	Branch Network
151	Notice of Annual General Meeting Proxy Form



Vision Statement

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



Mission Statement

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



CORE VALUES

Professionalism

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

Empathy

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

Integrity

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

Tradition

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



COMPANY INFORMATION

Board of Directors

Mr. Khalid Bashir
(Chairman)
Mr. Imran Maqbool
Mr. Ahsan Bashir
Mr. Sharik Bashir
Mr. Salman Rafi
Mrs. Rukhsana Saleem
Mr. Nadeem Maqbool (SECP Approval awaited)

Audit Committee

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

Investment Committee

Mr. Ahsan Bashir
(Chairman)
Mr. Imran Maqbool
(Member)
Mr. Farhan Ali Salim
(Secretary)

Chief Executive Officer

Mr. Sharik Bashir

Chief Financial Officer

Mr. Farhan Ali Salim

Company Secretary

Mr. Fariq Mahmood Khan Rohilla

Ethics, Human Resource, Remuneration & Nomination Committee

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

Claim Settlement Committee

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

COMPANY INFORMATION

Underwriting Committee

Mr. Sharik Bashir
(Chairman)
Mr. M.K.Baig
(Member)
Mr. Ali Asgher Bhogani
(Member)
Mrs. Kiran Parveen
(Secretary)

Risk Management & Compliance Committee

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

Registrar

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

Reinsurance & Co-Insurance Committee

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

Auditors

BDO Ibrahim & Co, Chartered
Accountants.

Legal Advisors

Mandviwalla & Zafar Advocates

Registered & Head Office

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

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

OUR JOURNEY

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

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

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

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

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

Board Of Directors



Nadeem Maqbool



Imran Maqbool



Ahsan Bashir



Sharik Bashir



Salman Rafi



Rukhsana Saleem

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

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



Khalid Bashir
Chairman

KEY OPERATING AND FINANCIAL DATA

	2025	2024	2023	2022	2021	2020
Paid-up capital	505,650	505,650	505,650	505,650	505,650	505,650
Capital reserves	19,675	19,675	19,675	19,675	19,675	19,675
Revenue reserves	767,723	673,726	422,071	330,088	807,058	811,584
Total reserves	787,398	693,401	441,746	349,763	826,733	831,259
Total equity	1,293,048	1,199,051	947,396	855,413	1,332,383	1,336,909
Total assets	3,354,885	3,311,928	2,850,378	2,843,926	3,479,358	3,249,280
Premium written (Including Takaful Contribution)	844,131	731,294	700,140	775,187	770,470	607,425
Premium written	505,709	497,674	515,683	606,816	602,428	532,726
Net premium	274,223	269,732	314,859	288,183	246,737	195,194
Investment income	233,123	212,301	45,685	(3,651)	151,791	22,366
Impairment of financial assets	-	-	-	(49,546)	(9,397)	(26,996)
Profit / (loss) before taxation	132,078	74,225	16,277	(183,075)	(19,311)	(110,036)
Profit / (loss) after taxation	122,666	69,059	7,938	(190,265)	(27,534)	(117,112)
Return on equity*(%)	9.84%	6.43%	0.88%	-17.39%	-2.06%	-9.39%
Book value per share**(Rs.)	25.57	23.71	18.74	16.92	26.35	26.44
Earnings / (loss) per share** (Rs.)	2.43	1.37	0.16	(3.76)	(0.54)	(2.32)
Cash dividend (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stock dividend (Bonus - %)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CHAIRMAN'S REVIEW

It is my pleasure to present the 74th Annual Report of your Company.

In FY'25, Pakistan's economy shifted from a phase of stability to one of initial growth, bolstered by a recovery in the Industrial sector amidst the ongoing effects of policy rate cuts. FY'26 has continued this trend with a more widespread growth momentum. The Large-Scale Manufacturing (LSM) Index recorded a growth of 6.0% in the first five months of FY'26, as the majority of key sectors experienced an increase in production. The average inflation for the first seven months of FY'26 is at 5.2%, which falls within the State Bank of Pakistan's (SBP) forecast range of 5 - 7% for FY'26.

The trade deficit for the initial half of fiscal year 2026 increased by 36.6%, amounting to US \$15.8 billion. This rise is attributed to heightened domestic demand, spurred by a more favorable interest rate environment, which has resulted in a 12.3% year-on-year growth in imports. In contrast, exports saw a decrease of 5.0%, primarily due to a notable decline in rice exports, although the export of value-added textiles demonstrated resilience. The significant trade deficit was somewhat alleviated by strong growth in remittances, which rose by 10.6% to US \$19.7 billion. However, the expanding trade gap resulted in a Current Account deficit of US \$1.2 billion, compared to a surplus of US \$1.0 billion recorded during the same period last year.

Supported by the disbursement of the US \$1.2 billion tranche from IMF, the State Bank of Pakistan (SBP) has exceeded the foreign exchange reserve target of US \$15.5 billion, with reserves reaching US \$16.1 billion as of December 2025. As a result, the Rupee has remained stable, experiencing a slight depreciation of 0.6% against the US Dollar throughout 2025. The equity markets have continued to exhibit exceptional performance, with the KSE-100 index achieving its third consecutive year of double-digit returns, increasing by 51% in 2025.

Operations

The Company has delivered a strong financial performance in the current period, with profit before tax rising to Rs. 127.85 million compared to Rs. 74.22 million in the corresponding period last year. Profit after taxation similarly increased to Rs. 122.67 million from Rs. 69.06 million, reflecting effective underwriting strategies and robust investment income. Gross Written Premium and Net Premium recorded modest increases compared to the prior year. Growth was primarily driven by the Fire, Motor, and Marine segments, which expanded by 34%, 21%, and 11%, respectively. This growth, however, was partially offset by contractions in the Health and Miscellaneous segments, which declined by 26% and 34%, respectively. The net claims ratio rose by 13% compared to the prior year, warranting continued focus on risk selection and claims management.

Our Window Takaful Operations delivered exceptional growth, with gross contribution surging by 45% and net contribution rising by 39%. All segments recorded robust double-digit growth, particularly Miscellaneous (94%), Marine (74%), and Fire (51%). The net claims ratio for Takaful operations increased by 36%, reflecting the rapid expansion in business volume. The Company closely managing claims ratios and administrative costs to sustain profitable growth across both conventional and Takaful operations.

At Premier Insurance, our commitment to delivering sustainable stakeholder value is anchored in the trust we have cultivated with our valued clients. By strategically strengthening our core offerings while innovating to meet emerging market demands, we are positioning ourselves to thrive in an increasingly competitive global landscape. Our focus remains unwavering-to enhance shareholder returns, drive operational excellence, and secure our standing as a market leader. As we continue to deepen customer relationships and embed resilience across our operations, the management team remains fully focused on accelerating performance and delivering long-term growth in the years ahead.

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

Khalid Bashir
Chairman

چیئر مین کا جائزہ

آپ کی کمپنی کی 74 ویں سالانہ رپورٹ پیش کرنا میرے لئے باعث مسرت ہے۔

مالیاتی سال 2025 میں پاکستانی معیشت استحکام کے مرحلے سے نکل کر ابتدائی نمو کے مرحلے میں داخل ہو گئی، جسے صنعتی شعبے کی بحالی نے تقویت دی، جبکہ شرح سود میں کمی کے جاری اثرات بھی اس میں مددگار ثابت ہوئے۔ مالیاتی سال 2026 میں یہ رجحان وسیع پیمانے پر مزید نمو کے ساتھ جاری رہا۔ وسیع پیداواری صنعتی (LSM) انڈیکس میں مالیاتی سال 2026 کے ابتدائی پانچ ماہ میں 6.0 فیصد نمو ریکارڈ ہوئی، کیونکہ زیادہ تر اہم شعبوں کی پیداوار میں اضافہ ہوا تھا۔ مالیاتی سال 2026 کے پہلے سات ماہ کے دوران اوسطاً افراط زر 5.2 فیصد رہا، جو اسٹیٹ بینک آف پاکستان (SBP) کے مالیاتی سال 2026 کے متوقع 5 سے 7 فیصد کی حد کے اندر ہے۔

مالیاتی سال 2026 کے ابتدائی چھ ماہ میں تجارتی خسارہ 36.6 فیصد بڑھ کر 15.8 ارب امریکی ڈالر تک پہنچ گیا۔ اس اضافے کی وجہ اندرون ملک طلب میں اضافہ ہے، جسے نسبتاً سازگار شرح سود کے ماحول نے فروغ دیا اور اس کے نتیجے میں درآمدات میں گزشتہ سال کی بہ نسبت 12.3 فیصد اضافہ ہوا۔ اس کے برعکس برآمدات میں 5.0 فیصد کمی دیکھنے میں آئی جس کی بنیادی وجہ چاول کی برآمدات میں نمایاں کمی تھی، تاہم ٹیکسٹائل کی قیمتی برآمدات نے استحکام کا مظاہرہ کیا۔ اس بڑے تجارتی خسارے کو ترسیلات زر میں ہونے والے اضافے نے کسی حد تک کم کیا جو 10.6 فیصد بڑھ کر 19.7 ارب امریکی ڈالر تک پہنچ گئیں۔ تاہم بڑھتی ہوئی تجارتی خلیج کے باعث رواں کھاتے کا خسارہ 1.2 بلین امریکی ڈالر رہا جبکہ گزشتہ سال اسی مدت کے دوران 1.0 بلین امریکی ڈالر کا سرپلس ریکارڈ کیا گیا تھا۔

آئی ایم ایف کی جانب سے 1.2 بلین امریکی ڈالر کی قسط کے اجرا کی بدولت اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر نے 15.5 ارب امریکی ڈالر کے ہدف سے تجاوز کر لیا اور دسمبر 2025 تک ذخائر 16.1 ارب امریکی ڈالر تک پہنچ گئے۔ اس کے نتیجے میں پاکستانی روپیہ مستحکم رہا اور 2025 کے دوران امریکی ڈالر کے مقابلے میں معمولی 0.6 فیصد کمی واقع ہوئی۔ اسٹاک ایکسچینے بھی بہترین کارکردگی کا مظاہرہ جاری رکھا جہاں KSE-100 انڈیکس کا منافع مسلسل تیسرے سال دوہرے ہندسوں میں رہا جس میں 2025 کے دوران 51 فیصد اضافہ ہوا۔

آپریشنز

کمپنی نے موجودہ مدت میں مضبوط مالیاتی کارکردگی کا مظاہرہ کیا ہے، جس کے نتیجے میں منافع قبل از ٹیکس گزشتہ سال کی اسی مدت کے 74.22 بلین روپے کے مقابلے میں بڑھ کر 127.85 بلین روپے ہو گیا۔ اسی طرح منافع بعد از ٹیکس بھی 69.06 بلین روپے سے بڑھ کر 122.67 بلین روپے تک پہنچ گیا جس سے بیمہ نوکی حکمت عملیوں اور مضبوط سرمایہ کاری آمدنی کی عکاسی ہوتی ہے۔ خام تحریری پیمائش اور خالص پیمائش میں بھی گزشتہ سال کے مقابلے میں معمولی اضافہ ہوا۔ یہ نمو بنیادی طور پر فائز انشورنس، موٹو اور میرین شعبوں کی بدولت حاصل ہوئی جن میں بالترتیب 34 فیصد، 21 فیصد اور 11 فیصد اضافہ ہوا۔ تاہم، صحت اور متفرق شعبوں میں بالترتیب 26 فیصد اور 34 فیصد کمی نے اس نمو کو جزوی طور پر متاثر کیا۔ خالص کلیمز کی شرح میں گزشتہ سال کے مقابلے میں 13 فیصد اضافہ ہوا جس کے پیش نظر خطرات کے انتخاب اور کلیمز کے انتظام پر مسلسل توجہ دینا ضروری ہے۔

ہمارے ونڈو ٹکنال آپریشنز میں بہترین اضافہ ہوا جہاں خام کٹریٹیشن میں 45 فیصد جبکہ خالص کٹریٹیشن میں 39 فیصد اضافہ ہوا۔ تمام شعبوں میں مضبوط دوہرے ہندسے ترقی ہوئی خصوصاً متفرق (94 فیصد)، میرین (74 فیصد) اور آگ (51 فیصد) نمایاں رہے۔ ٹکنال آپریشنز میں خالص کلیمز کی شرح میں 36 فیصد اضافہ ہوا جو کاروباری حجم میں تیزی سے اضافے کی عکاسی کرتا ہے۔ کمپنی کے منافع میں نمو کو برقرار رکھنے کے لیے روایتی اور ٹکنال دونوں آپریشنز میں کلیمز کی شرح اور انتظامی اخراجات کا باریک بینی سے نظر رکھے ہوئے ہیں۔

پری بیئر انشورنس میں تمام متعلقین کے لئے پائیدار فائدہ فراہم کرنے کا ہمارا عزم اس اعتماد پر مبنی ہے جو کہ ہم نے اپنے قابل قدر صارفین پر قائم کیا ہے۔ اپنی بنیادی خدمات کو مزید مضبوط بنانے کی حکمت عملی کے ساتھ ساتھ ابھرتی ہوئی مارکیٹ کی ضروریات کو پورا کرنے میں جدت اختیار کرتے ہوئے ہم خود کو ایک بڑھتے ہوئے مسابقتی عالمی ماحول میں کامیابی کے لیے تیار کر رہے ہیں۔ ہماری توجہ بدستور حصہ داروں کے منافع میں اضافے، کاروباری ترقی کو فروغ دینے اور مارکیٹ میں اپنے قائدانہ مقام کو مستحکم کرنے پر مرکوز ہے۔ ہم مسلسل صارفین کے ساتھ تعلقات کو مزید گہرا کر رہے ہیں اور اپنے کاروباری افعال میں لچک پیدا کر رہے ہیں جس کے لئے انتظامی ٹیم کی مکمل توجہ آئندہ برسوں میں کارکردگی میں تیزی لانے اور طویل مدتی نمو کے حصول پر مرکوز رہے گی۔

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

خالد شیخ

چیئر مین

REPORT OF THE DIRECTORS TO MEMBERS

The Directors of your Company are pleased to present the 74th Annual Report of the Company together with the audited financial statements and Auditors' Report thereon for the year ended December 31, 2025.

Economic Situation

Pakistan's economy is on a path to recovery, achieving a 3% GDP growth and a current account surplus of \$1.9 billion in FY 2025, marking the first surplus in 14 years. Despite an increasing trade deficit due to higher imports and lower exports, robust worker remittances totaling \$38 billion (an 11% year-on-year increase) have strengthened the external account. Policy initiatives have reinstated confidence, elevating gross reserves to \$16.1 billion by December 2025, a rise from \$11.7 billion the previous year. The economy remained resilient in the face of severe floods in June 2025, successfully completing the second review of the IMF's Extended Fund Facility and the first review of the Resilience and Sustainability Facility in October 2025. Economic activity gained momentum with a 3.7% GDP growth in Q1 FY '26, propelled by the industrial and agricultural sectors. Average inflation was consistent with the SBP's target of 5-7% from July to November 2025. The SBP adopted a cautious monetary policy, reducing the policy rate to 10.5% from 12% in January 2025, while real interest rates remained positive.

Performance Review

Following is the overall performance of the Company for the year ended December 31, 2025

	Conventional		Takaful	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
----- (Rupees in '000) -----				
Premium / contribution written	505,709	497,674	338,421	233,620
Net Premium / contribution	274,223	269,732	144,743	104,065
Underwriting Result	(75,594)	(136,087)	(22,947)	(12,242)
Investment Income /(loss)	233,123	212,301	1,629	1,681
Profit / (Loss) before taxation	127,853	74,225	(17,719)	(4,197)
Profit / (Loss) after taxation	122,671	69,059	-	-
Earnings /(Loss) per share	2.43	1.37		

Conventional Operations

The Company's Gross Written Premium has shown a slight increase when compared to the same period last year. Net Premium also experienced a minor rise from the previous year. The Fire segment demonstrated a growth of 34%, while the Marine segment saw an increase of 11%. The Motor premium rose by 21%, whereas the Health segments experienced a decline of 26%, and the Miscellaneous segment decreased by 34%. The company generated Investment income totaling Rs. 233.123 million, reflecting a 10% increase from the corresponding period last year. General and administrative expenses rose primarily due to standard inflation and the company's initiatives to develop a core marketing team aimed at enhancing its market share. Overall, the net claims ratio increased by 13% in comparison to the corresponding period last year. The profit before tax amounted to Rs. 127.85 million, compared to a profit of Rs. 74.22 million from the previous year, while the profit after taxation was Rs. 122.67 million, in contrast to a profit after tax of Rs. 69.06 million from the prior year.

REPORT OF THE DIRECTORS TO MEMBERS

Window Takaful Operations

The gross contribution from the Company's Window Takaful Operations saw a significant increase of 45% compared to the prior year. The net contribution also rose by 39% from the previous year. The sectors of Fire, Marine, Motor, Health, and Miscellaneous experienced growths of 51%, 74%, 50%, 34%, and 94% respectively. Furthermore, the overall net claims ratio increased by 36% in comparison to the corresponding period of the previous year.

Credit Rating

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

Annual Evaluation of the Board's Performance

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

Future Outlook

The Company has continued to gradually improve its performance over the last two years. While this growth is not optimal, we foresee further improvements in revenue and profitability. There are still challenges but given our sound financial position, the company will continue to grow. Our marketing teams are being further strengthened and we are making efforts to grow the good business. As a part of overall strategy, we continue to restructure our business lines to achieve better profitability. As mentioned earlier, Pakistan's macro indicators are positive but the service and manufacturing sectors are burdened with high taxation and a high cost of doing business.

Going forward the business environment and performance will be directly affected by the on-going tensions in the Middle East. Higher oil and gas prices will result in higher production costs thus impacting profitability. The equity markets which had an amazing year are now being affected by this conflict and investor confidence remains low.

We continue to strive to bring further improvements in the company's operating performance through better treaty management. Our emphasis remains on strategic restructuring of our business lines as well as achieving cost reductions to improve profitability.

Reinsurance/Re Takaful

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

Corporate and Financial Reporting Framework

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

REPORT OF THE DIRECTORS TO MEMBERS

- i. Proper books of accounts have been maintained by the Company.
- ii. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- iii. Approved Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- iv. The system of internal controls is sound in design and has been effectively implemented and monitored.
- v. There is no significant doubt about the Company's ability to continue as a going concern.
- vi. There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
- vii. Key operating and financial data for the last six years is annexed with the report.
- viii. The value of investments of Provident Fund based on an audited financial statements as at December 31, 2024 was Rs. 134.30 million.
- ix. The statement of pattern of shareholding in the Company as at 31 December 2025 is included with the Report.
- x. During 2025, four meetings of the Board were held, with at least one in each quarter, and were attended as follows:

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

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

Compliance with the Code of Corporate Governance

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

Related Party Transactions

All related party transactions are entered on arm's length basis in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2017. All related party transactions during the year 2025 were placed before the Audit Committee and the Board for their review and approval. These transactions were reviewed by the Audit Committee and approved by the Board.

REPORT OF THE DIRECTORS TO MEMBERS

Statement of Ethics and Business Practices

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

Board of Directors

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

Directors' Remuneration Policy

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

Board Committees

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

Appointment of Auditors

On the recommendation of the Board's Audit Committee, the Board of Directors has recommended the appointment of M/s. BDO Ebrahim & Co. (Chartered Accountants) as statutory auditors of the company for the next term i.e., year ending on December 31, 2026 for the approval of the members in the AGM.

Acknowledgement

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

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

On behalf of the Board

Chairman

CEO/Director

Karachi, Dated: March 25, 2026

ڈائریکٹران کے معاوضہ کی پالیسی

کمپنیز ایکٹ 2017، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی پاسداری کرتے ہوئے کمپنی کے پاس چیئرمین، چیف ایگزیکٹو، نان ایگزیکٹو، ایگزیکٹو اور آزاد ڈائریکٹران کے معاوضہ سے متعلق ایک پالیسی موجود ہے۔ بورڈ آف ڈائریکٹرز نے بورڈ، آڈٹ اور دیگر کمیٹیوں کے اجلاس میں شرکت کے لئے فیس منظور کی ہے۔

بورڈ کی کمیٹیاں

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

آڈٹ کمیٹی، اخلاقیات، انسانی وسائل، معاوضہ اور نامزدگی کمیٹی، انڈر رائٹنگ، کلیئر، ری انشورنس اینڈ کوانٹورنس، انویسٹمنٹ اینڈ رسک مینجمنٹ اور کپلائنس کمیٹیاں۔ ان کمیٹیوں کے چیئرمین ایسے ممبران ہیں جو کمپنی کو ان کمیٹیوں کے ذریعے درست راہنمائی فراہم کرنے کے لئے مستحکم تجربہ رکھتے ہیں۔ کمیٹیوں کی ذمہ داریوں کا تعین کوڈ آف کارپوریٹ گورننس کے تقاضوں کے تحت کیا گیا ہے۔ کوڈ آف کارپوریٹ گورننس کے تحت سال کے دوران تمام کمیٹیوں کے اجلاس ہوئے۔

آڈیٹرز کی تقرری

بورڈ کی آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے میسرز BDO ابراہیم اینڈ کو (چارٹرڈ اکاؤنٹنٹس) کی اگلی مدت یعنی 31 دسمبر 2026 کو ختم ہونے والے سال کے لئے آئی سی آڈیٹرز کی حیثیت سے تقرری کی سفارش کی ہے جس کی منظور AGM میں ممبران سے لی جائے گی۔

اعتراف

ڈائریکٹران اپنے قابل قدر گاہکوں کی مسلسل سرپرستی اور تعاون اور ری انشوررز، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی رہنمائی اور مدد پر ان کے مشکور ہیں۔

آپ کے ڈائریکٹران کمپنی کے افسران، فیلڈ فورس اور ملازمین کی کوششوں پر تہ دل سے ممنون ہیں جنہوں نے کمپنی کی ترقی اور اس کے کاروبار کی مسلسل کامیابی میں معاونت کی۔

منجانب بورڈ

سی ای او / ڈائریکٹر

چیئرمین

کراچی مورخہ 25 مارچ 2026

حاضر اجلاسوں کی تعداد	ڈائریکٹر کا نام
4	جناب خالد بشیر - چیئر مین
4	جناب احسن بشیر
4	جناب عمران مقبول
4	جناب شارق بشیر
4	جناب عطاء اللہ اے رشید
4	جناب سلمان رفیع
1	محترمہ رخسانہ سلیم

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

کوڈ آف کارپوریٹ گورننس کی پاسداری

کوڈ آف کارپوریٹ گورننس کی پاسداری کا بیان اس رپورٹ میں منسلک کیا گیا ہے۔

ماحقہ فریقین کے ساتھ سودے

ماحقہ فریقین کے ساتھ سودے عمومی طریقہ کار کے تحت یکساں بنیاد پر اور کمینیز ایکٹ 2017 کی لاگوشقوں کی پاسداری کرتے ہوئے انجام دیئے گئے۔ سال 2025 کے دوران ماحقہ فریقین کے ساتھ سودوں کو آڈٹ کمیٹی اور بورڈ کے سامنے جائزہ اور منظوری کے لئے پیش کیا گیا۔ ان سودوں کا جائزہ آڈٹ کمیٹی نے لیا اور ان کی منظوری بورڈ نے دی۔

اخلاقیات اور کاروباری طور طریقوں سے متعلق بیان

بورڈ نے اخلاقیات اور کاروباری طور طریقوں پر مشتمل بیان کو اختیار کیا ہے اور اسے اپنی ویب سائٹ پر ڈال دیا ہے۔ اسے تمام ملازمین میں تقسیم کر دیا گیا ہے جن کے لئے ضروری ہے کہ کاروبار اور مضابطوں سے متعلق ان اصولوں پر عمل کریں۔

بورڈ آف ڈائریکٹرز

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

گی جس کے نتیجے میں منافع پر اثرات مرتب ہونگے۔ اسٹاک آپیکسچ جنہوں نے ایک شاندار سال گزارا تھا، اب اس تنازعہ کے اثرات سے متاثر ہو رہی ہیں اور سرمایہ کاروں کا اعتماد بھی کمزور ہو رہا ہے۔

ہم بہتر کاروباری معاہدوں کے ذریعے کمپنی کی کاروباری کارکردگی میں مزید بہتری لانے کے لیے کوشاں ہیں۔ ہماری توجہ بدستور اپنی کاروباری شعبوں کی از سر نو تشکیل پر اور اخراجات میں کمی کے ذریعے منافع میں اضافہ پر مرکوز ہے۔

ری کنفل/ری انشورنس

آپ کی کمپنی تسلسل کے ساتھ روایتی اور کنفل دونوں کے لئے انتہائی مستحکم ری کنفل/ری انشورنس کے معاہدوں سے استفادہ کر رہی ہے جن میں سرفہرست عالمی کمپنیوں جیسے سعودی ری، لابن ری، عرب ری، SMGA، سواری اور کینیڈا ری شامل ہیں۔

کمپنی کا مالیاتی رپورٹنگ کا نظام

کمپنی کی انتظامیہ کی جانب سے تیار کئے گئے مالیاتی گوشوارے کمپنی کے معاملات کی حالت، اس کی سرگرمیوں کی نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کو شفاف طور پر پیش کرتے ہیں۔

- i کمپنی کے کھاتوں کی کتابیں مناسب انداز میں مرتب کی گئی ہیں۔
- ii کمپنی کے مالیاتی گوشواروں کی تیاری میں تسلسل کے ساتھ مناسب حساباتی پالیسیاں اختیار کی گئی ہیں اور حساباتی تخمینوں کی بنیاد محتاط اور مناسب فیصلوں پر ہے۔
- iii منظور شدہ اکاؤنٹنگ کے معیارات جو پاکستان میں لاگو ہیں، ان کی مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور کسی بھی انحراف کو مناسب انداز میں منکشف کیا گیا ہے۔
- iv انٹرنل کنٹرول کے نظام کو مضبوط طرز پر بنایا گیا ہے اور اس کا موثر طور پر نفاذ کیا گیا ہے اور نگرانی کی جاتی ہے۔
- v کمپنی کے مسلسل چلتے ہوئے ادارے کی حیثیت میں کوئی شک و شبہ نہیں ہے۔
- vi لسٹنگ ریگولیشنز میں بیان کئے گئے ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی بڑا انحراف نہیں ہوا۔
- vii گزشتہ چھ سالوں کے کاروباری اور مالیاتی اعداد و شمار اس رپورٹ کے ساتھ منسلک ہیں۔
- viii پروڈیٹ فنڈ کے آڈٹ شدہ مالیاتی گوشوارے تختہ 31 دسمبر 2024 کی بنیاد پر سرمایہ کاری کی مالیت 134.30 ملین روپے ہے۔
- ix کمپنی کی حصص داری کی ساخت کا گوشوارہ برائے 31 دسمبر 2025 رپورٹ میں شامل کیا گیا ہے۔
- x 2025 کے دوران بورڈ کے پانچ اجلاس ہوئے، ہر سہ ماہی میں کم از کم ایک منعقد ہوا اور ان میں ڈائریکٹری کی حاضری درج ذیل رہی:

روایتی آپریشنز

کمپنی کے خاتم تحریر شدہ پریمیوم میں گزشتہ مدت کی بہ نسبت معمولی اضافہ ہوا۔ گزشتہ سال کی بہ نسبت خالص پریمیوم میں معمولی اضافہ ہوا۔ فائر انشورنس کے شعبے میں 34 فیصد نمو ہوئی جبکہ میرین کے شعبے میں 11 فیصد اضافہ ہوا۔ موٹر کے پریمیوم میں 21 فیصد اضافہ ہوا جبکہ صحت کے شعبے میں 26 فیصد کمی ہوئی اور متفرق شعبے میں 34 فیصد اضافہ ہوا۔ کمپنی کی سرمایہ کاری آمدن 233.123 ملین روپے رہی جس سے گزشتہ سال کی مدت کی بہ نسبت 10 فیصد اضافے کی عکاسی ہوتی ہے۔ عمومی اور انتظامی اخراجات میں اضافہ کی بنیادی وجہ عام افراط زر اور کمپنی کا مارکیٹ میں اپنا حصہ بڑھانے کی کوششوں کے تحت بنیادی مارکیٹنگ ٹیم کی تعداد بڑھانا تھی۔ گزشتہ سال کی مدت کی بہ نسبت مجموعی طور پر خالص کلیم کی شرح میں 13 فیصد اضافہ ہوا۔ منافع قبل از ٹیکس 127.85 ملین روپے رہا جبکہ گزشتہ سال منافع 74.22 ملین روپے تھا اور منافع بعد از ٹیکس 122.67 ملین روپے رہا جو کہ گزشتہ سال 69.06 ملین روپے تھا۔

ونڈ وٹکافل آپریشنز

کمپنی کے ونڈ وٹکافل آپریشنز کے خاتم کٹری ہیوشن میں گزشتہ سال کی بہ نسبت 45 فیصد اضافہ ہوا۔ خالص کٹری ہیوشن میں گزشتہ سال کی بہ نسبت 39 فیصد اضافہ ہوا۔ فائر، میرین، موٹر، صحت اور متفرق شعبوں میں بالترتیب 51 فیصد، 74 فیصد، 50 فیصد، 34 فیصد اور 94 فیصد شرح نمو ہوئی۔ مزید برآں خالص کلیم کی مجموعی شرح میں گزشتہ سال کی بہ نسبت 36 فیصد اضافہ ہوا۔

کریڈٹ ریٹنگ

آپ کی کمپنی کی ریٹنگ PACRA کرتی ہے اور PACRA نے آپ کی کمپنی کو "A" ریٹنگ مقرر کی ہے۔

بورڈ کی کارکردگی کا سالانہ جائزہ

کوڈ آف کارپوریٹ گورننس کے تقاضوں کے تحت بورڈ نے اپنی کارکردگی کی تشخیص کے لئے ایک نظام تشکیل دیا ہے۔

مستقبل کی پیش بینی

کمپنی نے گزشتہ دو برسوں کے دوران اپنی کارکردگی میں بتدریج بہتری جاری رکھی ہے۔ اگرچہ یہ ترقی مثالی نہیں ہے تاہم ہمیں توقع ہے کہ آمدنی اور منافع میں مزید بہتری آئے گی۔ ابھی بھی کچھ چیلنجز موجود ہیں لیکن ہماری مضبوط مالیاتی پوزیشن کے پیش نظر کمپنی اپنی ترقی کا سفر جاری رکھے گی۔ ہم اپنی مارکیٹنگ ٹیموں کو مزید مضبوط بنا رہے ہیں اور کاروبار میں اضافہ کے لیے کوششیں کر رہے ہیں۔ مجموعی حکمت عملی کے تحت ہم اپنے کاروباری شعبوں کی از سر نو تشکیل جاری رکھے ہوئے ہیں تاکہ بہتر منافع حاصل کیا جا سکے۔ جیسا کہ پہلے بیان کیا گیا ہے پاکستان کے معاشی اشاریے مثبت ہیں لیکن خدمات اور پیداواری شعبے زیادہ ٹیکسوں اور کاروبار کی بلند لاگت کے بوجھ تلے دبے ہوئے ہیں۔

مستقبل میں کاروباری ماحول اور کارکردگی مشرق وسطیٰ میں جاری کشیدگی سے براہ راست متاثر ہوں گے۔ تیل اور گیس کی قیمتوں میں اضافے سے پیداواری لاگت بڑھے

ممبران کے لئے ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹران کمپنی کی 74 ویں سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالیاتی رپورٹ برائے اختتام ہونے والے سال 31 دسمبر 2025 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

معاشی صورتحال

پاکستانی معیشت بحالی کے راستے پر گامزن ہے جس میں مالیاتی سال 2025 کے دوران جی ڈی پی میں اضافہ 3 فیصد رہا اور 1.9 ارب ڈالر کا کرنٹ اکاؤنٹ سرپلس رہا، جو 14 سال میں پہلا سرپلس ہے۔ اگرچہ درآمدات میں اضافے اور برآمدات میں کمی کے باعث تجارتی خسارہ بڑھا، تاہم بیرون ملک مقیم پاکستانیوں کی ترسیلات زر 38 ارب ڈالر (گزشتہ سال کی نسبت 11 فیصد اضافہ) رہیں جس سے بین الاقوامی لین دین کا حساب مستحکم ہوا۔ پالیسی اقدامات نے اعتماد بحال کیا جس کے نتیجے میں دسمبر 2025 تک مجموعی زرمبادلہ کے ذخائر بڑھ کر 16.1 ارب ڈالر ہو گئے جو گزشتہ سال کے 11.7 ارب ڈالر سے زیادہ ہیں۔ جون 2025 میں شدید سیلاب کے باوجود معیشت نے استحکام کا مظاہرہ کیا اور اکتوبر 2025 میں آئی ایم ایف کے ایکسٹینڈڈ فنڈ فیسلٹی کے دوسرے جائزے اور ری پبلینس اینڈ سسٹین ایبلٹی فیسلٹی کے پہلے جائزے کو کامیابی سے مکمل کیا۔ مالیاتی سال 2026 کی پہلی سہ ماہی میں جی ڈی پی میں شرح نمو 3.7 فیصد کے ساتھ معاشی سرگرمیوں میں تیزی آئی جس میں صنعتی اور زرعی شعبوں کا اہم کردار رہا۔ جولائی سے نومبر 2025 کے دوران اوسط مہنگائی اسٹیٹ بینک آف پاکستان کے 5 سے 7 فیصد کے ہدف کے مطابق رہی۔ اسٹیٹ بینک آف پاکستان نے محتاط مالیاتی پالیسی اختیار کرتے ہوئے جنوری 2025 میں شرح سود کو 12 فیصد سے کم کر کے 10.5 فیصد کر دیا جبکہ حقیقی شرح سود مثبت رہی۔

کارکردگی کا جائزہ

اختتام پذیر 31 دسمبر 2025 میں کمپنی کی مجموعی کارکردگی درج ذیل رہی:

مکافل		روایتی		
(روپے '000 میں)				
31 دسمبر 2024	31 دسمبر 2025	31 دسمبر 2024	31 دسمبر 2025	
233,620	338,421	497,674	505,709	تحریری شدہ پریم/کنٹری بیوشن
104,065	144,743	269,732	274,223	خالص پریم/کنٹری بیوشن
(12,242)	(22,947)	(136,087)	(75,594)	بیمہ کے نتائج
1,681	1,629	212,301	233,123	سرمایہ کاری آمدن/(خسارہ)
(4,197)	(17,719)	74,225	127,853	منافع/خسارہ) قبل از ٹیکس
-	-	69,059	122,671	منافع/خسارہ) بعد از ٹیکس
		1.37	2.43	فی حصص آمدن/خسارہ)

OUR COMMITMENT TO GENDER DIVERSITY AND PAY EQUITY

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

Our commitment extends to:

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

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

Gender Pay Gap Report:-

- Mean Gender Pay Gap:

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

- Median Gender Pay Gap:

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

Statement of compliance with the Code of Corporate Governance for Insurers, 2016 & Listed Companies (Code of Corporate Governance) Regulations, 2019 for the Year ended December 31, 2025

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

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

1. The total number of directors are seven as per the following:

- a. Male: 6
- b. Female: 1

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

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

All the independent directors meet the criteria of independence as laid down under the Code.

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

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, excluding the listed subsidiary of a listed holding company, including this company.
4. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company. A DFI or an NBFIs or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
5. Casual vacancy on the Board was occurred on December 30, 2025, which was subsequently filled by the Board.
6. The Company has prepared a "Statement of Ethics and Business Practices" as Code of Conduct, has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
7. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained by the company.

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

Underwriting Committee:

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

Claim Settlement Committee;

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

Reinsurance & Co-insurance Committee:

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

Risk Management & Compliance Committee;

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

19. The Board has formed the following Board Committees:

Ethic, Human Resource, Remuneration & Nomination Committee:

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

Investment Committee:

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

20. The Board has formed an Audit Committee. It comprises of three (3) members of whom one (1) is an independent director and two (2) are non-executive directors. The Chairman of the Committee is an Independent Director.

The composition of the Audit Committee is as follows:

Audit Committee:

Name of Member	Category
Mrs. Rukhsana Saleem	Chairman
Mr. Imran Maqbool	Member
Mr. Ahsan Bashir	Member
Mr. Rao Ali Zeeshan	Secretary

21. The meetings of the Committees, except Ethics, Human Resource, Remuneration & Nomination were held at least once in a half year, Audit Committee meetings were held once in every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of references of the Committees have been formed and advised to the Committees for compliance.
22. The Board has set up an effective internal audit department which comprises of suitably qualified and experience staff for the purpose and are conversant with the policies and procedures of the company and are involved in the internal audit function on full time basis.
23. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. Moreover, the persons heading the underwriting, claim, reinsurance, Risk management and grievance functions/departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No, XXXIX (2000):

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

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

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

By Order of the Board

Chairman

Chief Executive Officer

Karachi, Dated: March 25, 2026

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

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (both herein referred to as 'the Code') prepared by the Board of Directors of Premier Insurance Company 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 (ixxvi) of the Code of Corporate Governance for Insurers, 2016.

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

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

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

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

KARACHI

DATED: 31 MAR 2026

UDIN: CR202510110u5Ai0Q1ak

BDO Ebrahim

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Nadeem

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREMIER INSURANCE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **PREMIER INSURANCE LIMITED** (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement profit and loss account, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Key Audit Matters

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



Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	<p>Revenue Recognition - Premium Earned</p> <p>Refer to note 26 to the financial statements.</p> <p>The Company's premium earned amounts to Rs. 519.076 million which is generated from premium on insurance policies representing a significant element of the financial statements of the Company.</p> <p>Premium income is one of the key performance indicators of the Company. Because of the significance of the premium as key performance indicator and that it was considered as an area of significant audit risk as part of our audit process, we considered this area as a key audit matter.</p>	<p>Our audit procedures amongst other procedures included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Company's process for recognition of premium and evaluated the design and implementation of key controls involved in the process of capturing, processing and recording of premiums. • Comparing, using an appropriate sample of premium earned from the underlying policies issued to evaluate appropriateness of recognized premium during the year. • Comparing, using an appropriate sample, of premium underwritten close to year end and subsequent to year end to evaluate that revenue from premiums was recognized in the appropriate accounting period. • Recalculating the unearned portion of premium underwritten and ensuring that the appropriate amount is recorded in the current year. • Assessing the relevant presentation and disclosures made in the financial statements to ascertain whether these are in accordance with the accounting and reporting standards as applicable in Pakistan

S. No	Key audit matters	How the matter was addressed in our audit
2.	<p>Outstanding claims including claims incurred but not reported (IBNR)</p> <p>Refer to note 27 to the financial statements.</p> <p>As at December 31, 2025, net provision for IBNR amounted to Rs. 43.615 million. The provision for Incurred but Not Reported (IBNR) claims is calculated by the Company in compliance with Circular No. 9 of 2016 issued by the Securities and Exchange Commission of Pakistan (SECP).</p> <p>As per the circular, insurers are required to estimate and maintain IBNR provisions for each business class using the prescribed "Chain Ladder Method" or any other alternate method as allowed under the provisions of the Guidelines.</p> <p>The calculation of provision for IBNR claims involves estimation and judgment. Because of the significance of the impact of these judgments / estimations, we considered the area of IBNR as a key audit matter.</p>	<p>Our audit procedures to address this matter includes the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Company's process and evaluating the design and implementation of key controls in recognition and valuation of insurance liabilities. • Assessing the appropriateness of the Company's accounting policy for recognition and measurement of insurance liabilities, in compliance with accounting and reporting standards as applicable in Pakistan. • Assessing the competence, capability and objectivity of management's actuary. Performing procedures to evaluate the accuracy, completeness and reliability of the underlying data utilized and provided to the management actuary for the purposes of measurement to its source. • Inspecting the report submitted by the Actuary for the year ended December 31, 2025, to the management of the Company in respect of the insurance liabilities and the related methods and assumptions used for this purpose. • Assessing the reasonableness and consistency of the assumptions and methods used by the management's actuary in the valuation of insurance liabilities.

S. No	Key audit matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> Assessing the appropriateness of disclosures made in the financial statements in compliance with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Financial Statements and Auditors Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors Responsibilities for the Audit of the Financial Statements

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

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

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

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

Page - 5

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

KARACHI

DATED: March 31, 2026

UDIN: AR202510110n86ta9VLY


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

		2025	2024 Restated	2023 Restated
	Note	Rupees in '000		
ASSETS				
Property and equipment	7	205,506	206,511	196,594
Intangible assets	8	266	380	543
Investment properties	9	349,326	346,939	346,758
Investment in an associate	10	293,749	312,221	259,222
Investment - equity securities	11	1,104,950	940,744	701,565
Loans and other receivables	12	73,712	80,650	24,852
Insurance / reinsurance receivables	13	355,854	470,602	477,430
Reinsurance recoveries against outstanding claims	27	170,357	207,465	276,075
Salvage recoveries accrued		9,476	4,075	1,397
Deferred commission expense	28	24,626	18,707	21,517
Taxation - payment less provision		28,497	23,972	19,478
Deferred taxation	14	52,943	51,803	50,746
Prepayments	15	115,173	120,027	81,282
Cash and bank	16	13,920	54,457	39,063
		<u>2,798,355</u>	<u>2,838,553</u>	<u>2,496,522</u>
Total assets of Window Takaful Operations - Operator's Fund	17.1	183,285	167,117	119,339
Total assets of Window Takaful Operations - Participant's Fund	17.2	373,244	306,258	234,517
TOTAL ASSETS		<u>3,354,884</u>	<u>3,311,928</u>	<u>2,850,378</u>
EQUITY AND LIABILITIES				
Capital and reserves attributable to Company's equity holders				
Ordinary share capital	18	505,650	505,650	505,650
Reserves	19	1,604,439	1,633,291	1,450,085
Accumulated losses		(817,041)	(939,890)	(1,008,339)
TOTAL EQUITY		1,293,048	1,199,051	947,396
LIABILITIES				
Underwriting provisions				
Outstanding claims including IBNR	27	500,876	490,710	607,489
Unearned premium reserves	26	271,436	284,803	273,246
Unearned reinsurance commission	28	25,324	26,133	12,738
Retirement benefit obligations	20	7,531	5,975	6,935
Liabilities under diminishing musharka	21	5,125	6,411	-
Lease liabilities	22	4,055	5,285	3,954
Insurance / reinsurance payables	23	505,652	667,741	469,773
Other creditors and accruals	24	280,213	233,908	248,167
TOTAL LIABILITIES		1,600,212	1,743,389	1,622,302
Total liabilities of Window Takaful Operations - Operator's Fund	17.1	88,380	63,229	46,163
Total funds & liabilities of Window Takaful Operations - Participant's Fund	17.2	373,244	306,258	234,517
TOTAL EQUITY AND LIABILITIES		<u>3,354,884</u>	<u>3,311,928</u>	<u>2,850,378</u>
CONTINGENCIES AND COMMITMENTS	25			

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

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
Net insurance premium	26	274,223	269,732
Net insurance claims	27	(167,457)	(154,777)
Net commission income / (expense) and other acquisition costs	28	11,245	(16,069)
Insurance claims and acquisition expenses		(156,212)	(170,846)
Management expenses	29	(193,605)	(234,973)
Underwriting results		(75,594)	(136,087)
Investment income	30	233,123	212,301
Rental income		11,904	4,410
Other income	31	8,619	14,182
Other expenses	32	(8,077)	(7,283)
Results of operating activities		169,975	87,523
Finance costs	33	(2,112)	(1,439)
Share of profit from associate	10	2,594	14,234
Total profit from operations		170,457	100,318
Loss from Window Takaful Operations - Operator's Fund	17	(38,379)	(26,092)
Profit before income tax and levy		132,078	74,226
Levy-minimum tax differential	34	(10,552)	(6,222)
Profit before income tax		121,526	68,004
Income tax	35	1,140	1,056
Profit after income tax		122,666	69,060
Earnings per share - basic and diluted- Rupees	36	2.43	1.37

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

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
Profit after income tax		122,666	69,059
Other comprehensive income:			
Items that will not be reclassified subsequently to profit and loss account:			
Re-measurement gain / (loss) on defined benefit obligations - net of tax		183	(610)
Items that may be reclassified subsequently to profit and loss account:			
Unrealized (loss) / gain on available for sale investments - net of tax	41	(11,786)	140,441
Share in other comprehensive (loss) / income of associate - net of tax		(17,066)	42,765
Other comprehensive (loss) / income for the year		(28,669)	182,596
Total comprehensive income for the year		93,997	251,655

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

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

	Share capital	Reserves								Total reserves	Total equity	
	Issued, subscribed and paid-up	Capital reserves			Revenue reserves				General reserve			Accumulated losses
		Reserve for exceptional losses	Devaluation reserve	Revaluation Reserve - Property and Equipment	Available for sale investments	Available for sale investments of the Associate						
----- Rupees in '000 -----												
Balance as at January 01, 2024	505,650	19,490	185	35,859	220,187	177,513	996,851	(1,008,339)	441,746	947,396		
Total comprehensive income for the year												
Profit after income tax	-	-	-	-	-	-	-	69,060	69,060	69,060		
Other comprehensive income												
Remeasurement of defined benefits obligation	-	-	-	-	-	-	-	(610)	(610)	(610)		
Unrealized gain on available for sale investments -net	-	-	-	-	140,441	-	-	-	140,441	140,441		
Share in other comprehensive income of associate -net	-	-	-	-	-	42,765	-	-	42,765	42,765		
Total comprehensive income for the year	-	-	-	-	140,441	42,765	-	68,449	251,655	251,655		
Balance as at December 31, 2024	505,650	19,490	185	35,859	360,628	220,278	996,851	(939,890)	693,401	1,199,051		
Total comprehensive income for the year												
Profit after income tax	-	-	-	-	-	-	-	122,666	122,666	122,666		
Other comprehensive income												
Remeasurement of defined benefits obligation	-	-	-	-	-	-	-	183	183	183		
Unrealized loss on available for sale investments -net	-	-	-	-	(11,786)	-	-	-	(11,786)	(11,786)		
Share in other comprehensive loss of associate -net	-	-	-	-	-	(17,066)	-	-	(17,066)	(17,066)		
Total comprehensive income / (loss) for the year	-	-	-	-	(11,786)	(17,066)	-	122,849	93,997	93,997		
Balance as at December 31, 2025	505,650	19,490	185	35,859	348,842	203,212	996,851	(817,041)	787,398	1,293,048		

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

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
Operating activities			
a) Underwriting activities			
Insurance premium received		549,250	440,509
Reinsurance premium paid		(402,184)	(59,826)
Claims paid		(252,603)	(296,412)
Reinsurance and other recoveries received		177,998	54,653
Commission paid		(55,517)	(44,473)
Commission received		62,728	48,497
Other acquisition costs paid		(13,897)	(16,227)
Management expenses paid		(191,403)	(207,723)
Net cash used in underwriting activities		(125,628)	(81,002)
b) Other operating activities			
Income tax paid		(10,845)	(3,438)
Other operating receipts		54,935	87
Loans advanced, deposits (paid) / received		7,302	(55,986)
Other liabilities reversed / (paid)		(35,303)	23,408
Net cash generated from / (used in) other operating activities		16,089	(35,929)
Total cash used in operating activities		(109,539)	(116,931)
Investment activities			
Profit / return received		236,761	214,491
Rental received		11,904	4,410
Payment for investments made		(1,355,718)	(441,134)
Proceeds from investments disposed		1,179,724	342,396
Fixed capital expenditure incurred		(9,351)	(1,775)
Proceeds from sale of property and equipment		5,021	12,689
Total cash generated from investing activities		68,341	131,077
Financing activities			
Finance cost paid		(2,112)	(1,439)
Dividend paid		-	(20)
Payment of lease liability		2,773	2,707
Net cash flows from financing activities		661	1,248
Net cash (used in) / flows from all activities		(40,537)	15,394
Cash and cash equivalents at beginning of the year		54,457	39,063
Cash and cash equivalents at end of the year	16	13,920	54,457

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Note	2025	2024
----- Rupees in '000 -----			
Reconciliation to profit and loss account			
Operating cashflows		(109,539)	(116,931)
Depreciation and amortization expense	29	(8,182)	(6,885)
Finance costs		(2,112)	(1,439)
Gain on sale of operating fixed assets	31	2,731	11,327
Net realized gain on investments	30	223,200	154,962
Rental income		11,904	4,410
Dividend income	30	56,613	59,596
Other income	31	5,261	4,707
Share of profit from associate		2,594	14,234
Loss from Window Takaful Operations - Operator's Fund	17	(38,379)	(26,092)
Decrease in assets other than cash		119,799	96,392
Decrease in liabilities other than borrowings		(143,177)	(121,087)
Gain / (loss) on revaluation of investment property		1,953	(4,135)
Profit after taxation		122,666	69,060

Definition of cash and cash equivalent

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

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

Cash and other equivalent

Policy, revenue stamps and bond papers

90

292

Current and other accounts

Current accounts

2,550

5,701

PLS account

11,280

48,464

13,830

54,165

Total cash and cash equivalent

13,920

54,457

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

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

Premier Insurance Limited (the Company) incorporated as a public limited Company in Pakistan in May 1952 under repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is engaged in general insurance business. The shares of the Company are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 5th Floor, State Life Building No. 2A, Wallace Road, Off. I.I. Chundrigar Road, Karachi.

The Company has been allowed to work as Window Takaful Operator since October 02, 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan."

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

Head office - Registered Office

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

Branches

i) Province of Punjab, Pakistan:

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

ii) Province of Sindh, Pakistan:

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

iii) Province of Khyber Pakhtunkhwa, Pakistan:

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

iv) Province of Baluchistan, Pakistan:

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

iv) Islamabad Capital Territory

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, SECP Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019; and
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017.

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

2.1.2 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.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for available for sale investments and investment property that have been measured at fair value and staff gratuity which is stated at present value.

2.3 Functional and presentation currency

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

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

3.1 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.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

**Effective date
(annual periods
beginning on or after)**

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchange ability 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.

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

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

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 January 01, 2027

IFRS 17 Insurance Contracts January 01, 2027

IFRS 18 'Presentation and Disclosures in Financial Statements' January 01, 2027

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the revised 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 and loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. Fair value measurement of Financial Instruments as at December 31, 2025, is presented in note 47 of the financial statements.

Temporary exemption from application of IFRS 17

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I) / 2023 dated 21 November 2023, SRO 506/(1)/2024 dated March 29, 2024 and SRO 1336(1)/2025 dated 23rd July, 2025 the IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance / takaful and re-insurance / re-takaful business from financial years commencing on or after 01 January 2027.

IFRS 17, replaces IFRS 4 "Insurance Contracts". The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of SRO 1715 will also be required to adopt requirements of IFRS 9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase approach towards implementation of IFRS 17 "Insurance Contracts" has been completed.

Temporary exemption from application of IFRS 09

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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

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

b) all other financial assets:

Fair value of financial assets as at December 31, 2025 and change in fair value during the year.

	December 31, 2025				
	Fail the SPPI Test		Pass the SPPI Test		
	Fair value	Change in unrealized gain or (loss) during the year	Carrying Value	Cost less impairment	Change in unrealized gain or (loss) during the year
	----- Rupees in '000 -----				
Financial assets					
Investment in associate Investments	293,749	-	-	-	-
- Equity securities - available for sale	756,110	348,841	-	-	-
- Mutual funds - available for sale	54,476	12,572	-	-	-
Loan and other receivables*	15,244	-	15,244	-	-
Cash and bank *	13,920	-	13,920	-	-
TOTAL	1,133,499	361,413	29,164	-	-

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

4. CHANGE IN ACCOUNTING POLICY - S.R.O 311(I)/2025 - 'AMENDMENTS TO THE GENERAL TAKAFUL ACCOUNTING REGULATIONS, 2019

Securities and Exchange Commission of Pakistan (SECP) through its S.R.O. 311(I)/2025 dated March 03, 2025, made amendments to the General Takaful Accounting Regulations, 2019 whereby Insurers whose window takaful operations form twenty-five percent (25%) or more of their overall operations based on gross contribution, may as an alternative to disclose their Takaful results in their published financial statements as follows:

- (a) the assets and liabilities of the conventional operations shall be consolidated with the assets and liabilities of window general takaful operations (i.e. OPF and PTF) in the statement of financial position of the insurer;

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

- (b) the incomes and expenses of the conventional operations shall be consolidated with the incomes and expenses of the window general takaful operations (i.e. OPF and PTF) in the profit and loss account or the statement of comprehensive income, as the case may be, of the insurer:
- (c) supporting notes to the financial statements shall provide complete breakup of conventional and window takaful operations and the statement of financial position and the profit and loss account or the statement of comprehensive income, as the case may be, shall in footnote state that for breakup of conventional and window takaful operations, detailed notes to the financial statements may be referred; and
- (d) segment disclosures for General Takaful Operations in accordance with the requirements of IFRS 8 – Operating Segments, shall be included in the published financial statements.

In view above amendments, during the period the Company has reassessed its operations and concluded that presently its Window Takaful Operations do not exceed twenty-five percent (25%) of its overall operations based on gross contribution. Resultantly, consolidation of window general takaful operations (i.e. OPF and PTF) in the financial position of the Company and detailed segment reporting are not required to be followed. However, due to amendments in sub-regulations of regulation 6 of the Accounting Regulations, the Company has presented the total assets and total liabilities in addition to the OPF (the Window Takaful Operations) as a single line item in the condensed interim statement of financial position. Total liabilities comprising of liabilities and fund balance of PTF as the Company considered that the Company does not have any residual interest in the PTF since surplus in the PTF is available only to the participants of the Fund.

Effect of changes

The above changes have been made in accordance with the requirements of IAS-8, 'Accounting Policies, Changes in Accounting Estimates and Errors' in these financial statements with retrospective effect and restatement of amounts reported in the condensed interim financial statements for the year ended December 31, 2024 and January 01, 2024 are given below:

	Had there been no adoption	Impact of adoption	After incorporating effect of adoption
	------(Rupees in '000)-----		
As at December 31, 2024			
Effect on statement of financial position (Conventional):			
Total assets	3,005,670	306,258	3,311,928
Total equity and liabilities	3,005,670	306,258	3,311,928
As at December 31, 2023			
Effect on statement of financial position (Conventional):			
Total assets	2,615,861	234,517	2,850,378
Total equity and liabilities	2,615,861	234,517	2,850,378

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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 MATERIAL ACCOUNTING POLICY INFORMATION

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

5.1 Property and equipment

5.1.1 Operating fixed assets

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

Rates of depreciation:

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

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

Rate of depreciation:

- Buildings	5%
-------------	----

Normal repairs and maintenance are charged to profit and loss account as and when incurred; major renewals and replacements are capitalized if they meet the capitalization criteria as per policy. Gain or loss on disposal of operating fixed assets is taken to profit and loss account.

5.1.2 Capital work in progress

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

5.2 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognised as an intangible asset.

These are stated at cost less accumulated amortisation and impairment, if any. Intangible assets are amortised on a straight line basis over its estimated useful life as specified in note 8 to these financial statements after taking into account residual values, if significant.

Amortisation on additions is charged from the month in which the asset is available for use, whereas no amortisation is charged in the month the asset is disposed of. The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss account when the asset is derecognised.

5.3 Investment properties

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

5.4 Investments

5.4.1 Classification and Recognition

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

5.4.2 Measurement

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

5.4.2.1 Held-for-trading

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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

5.4.2.2 Held-to-maturity

Investments with fixed maturity, where the management has both the intent and the ability to hold to maturity, are classified as held-to-maturity. Subsequently, these are measured at amortized cost. Premium paid or discount availed on the acquisition of held-to-maturity investment is deferred and amortized over the term of investment using the effective yield method. Profit on held-to-maturity instruments is recognized on a time proportion basis taking into account the effective yield on the investments. These are reviewed for impairment at each reporting period and losses arising, if any, are charged to the profit and loss account of the period in which they arise.

5.4.2.3 Available-for-sale

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

Quoted

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

Unquoted

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

5.4.2.4 Recognition / de-recognition of investments

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

5.4.2.5 Impairment in investments

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

5.5 Investment in Associates - Equity method

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

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

5.6 Financial Instruments

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

5.7 Impairment of non-financial assets

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

5.8 Insurance contracts

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

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

a) Fire and property damage

Fire and property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their Business activities. These contracts are generally one year contracts except some contracts that are of three months period.

b) Marine, aviation and transport

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

c) Motor

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

d) Accident and health

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

e) Miscellaneous

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

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

The Company also accepts insurance risk pertaining to insurance contracts of other insurer as reinsurance inward. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer. All reinsurance inward contracts are facultative (specific risk) acceptance contracts.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

5.9 Deferred commission expense / Acquisition cost

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

5.10 Re-insurance contracts held

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

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

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

5.11 Reinsurance recoveries against outstanding claims

Claims recoveries receivable from reinsurers are recognized as an asset at the same time as the claims which give rise to the right of recovery are recognized as a liability and are measured at the amount expected to be received.

5.12 Receivables and payables related to insurance contracts

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

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

5.13 Prepayments

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

5.14 Loans and other receivables

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

5.15 Cash and cash equivalents

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

5.16 Share Capital and reserves

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

5.17 Unearned premium reserve

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

5.18 Premium deficiency reserve

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

The Company determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired periods. For this purpose average loss ratio of last three years inclusive of claim settlement cost but excluding major exceptional claims are taken into consideration to determine ultimate loss ratio to be applied on unearned premium. Further, actuarial valuation has been carried out to determine amount of premium deficiency reserve in respect of health insurance.

Provision has been reversed for Health business as the unearned premium reserve for the class of business as at the year end is adequate to meet the expected future liability after reinsurance from claims and other expenses, expected to be incurred after the reporting date in respect of policies in force at reporting date.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

5.19 Claim

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

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

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

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

Outstanding claims

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

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

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

Incurred But Not Reported (IBNR) Claims

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

The Company is required, as per SECP circular no. 9 of 2016 dated March 09, 2016 "Guidelines for Estimation of Incurred but not reported claims reserve, 2016" to estimate and maintain the provision for claims incurred but not reported for each class of business by using prescribed Method "Chain Ladder Method" and other alternate method as allowed under the provisions of the Guidelines. The actuarial valuation as at December 31, 2024 and December 31, 2025 has been carried out by independent firm of actuaries for determination of IBNR for each class of business.

5.21 Staff retirement benefits

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

5.21.1 Employees' compensated absences

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

5.21.2 Defined contribution plan

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

5.21.3 Defined benefit plan

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

The latest actuarial evaluation was carried out as at December 31, 2025. The liability / asset recognized in the balance sheet is the present value of defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

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

5.22 Leases and right of use assets

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

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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

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

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

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

Diminishing musharaka financing

Diminishing musharaka financing are stated net of provision and suspense income. Provision is recognized for Diminishing musharaka financing, in accordance with the Modaraba Regulations 2021 for Modarabas. Bad debts are written-off when identified.

5.23 Other creditors and accruals

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

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

5.24 Contingencies

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

5.25 Revenue recognition

a) Premium / Underwriting result

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

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

b) Commission income

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

c) Investment income

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

d) Dividend income

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

e) Return on bank accounts

Return on bank accounts are accounted for on accrual basis.

f) Rental Income

Rental income from investment properties are recognized on straight line basis.

g) Other Income

Gain or loss on sale of property and equipment and intangible assets is recognized in the profit and loss account when the asset is derecognized.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

5.26 Income tax and levy

5.26.1 Income tax

a) Current

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

b) Deferred

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

5.26.2 Levy

The Company accounts for current tax calculated on taxable income using the notified tax rate as an income tax and any tax charged under the income tax laws which is not based on the taxable income recorded as a levy in accordance with the Guidance on Accounting for Minimum Taxes and Final taxes issued by the Institute of Chartered Accountants of Pakistan. The minimum tax and final taxes which are not calculated on the 'taxable profit' but calculated on turnover or other basis are recognized as a levy in the Statement of profit or loss under the scope of IFRIC 21/IAS37

5.27 Offsetting of financial assets and liabilities

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

5.28 Earnings per share

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

5.29 Zakat

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

5.30 Dividend distribution and reserve appropriation

Dividend to shareholders is recognised as liability in the period in which it is approved, and reserve appropriation is recognised when approved.

5.31 Management expenses

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

5.32 Segment reporting

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

The Company presents segments reporting of operating results using the classes of business as specified under the Insurance Accounting Regulations, 2017. The reported operating segments are also consistent with the internal reporting process of the Company for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment. All the Company's business segments operate in Pakistan only.

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

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

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended December 31, 2025.

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

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

- a. Classification of investment - note 5.4
- b. Provision for outstanding claims including claims incurred but not reported - note 5.20
- c. Reinsurance recoveries against outstanding claims - note 5.11
- d. Provision against premium due but unpaid - note 5.12
- e. Useful life of depreciable / amortizable assets - notes 5.1 & 5.2
- f. Staff retirement benefits - note 5.21
- g. Provision for current & deferred taxes - note 5.26
- h. Fair valuation of investment properties - note 5.3
- i. Lease and right of use asset - note 5.22
- j. Contingencies - note 5.24

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	2025	2024
----- Rupees in '000 -----			
7. PROPERTY AND EQUIPMENT			
Operating fixed assets	7.1	176,442	176,150
Capital work-in-progress	7.2	26,109	26,109
Right of use assets	7.3	2,955	4,252
		205,506	206,511

7.1 Operating fixed assets

Particulars	2025									
	----- Cost -----				----- Accumulated Depreciation -----					
	As at January 01, 2025	Additions	Disposals	As at December 31, 2025	As at January 01, 2025	Depreciation for the year	Disposals	As at December 31, 2025	Written down value as at December 31, 2025	Depreciation Rate
----- Rupees in '000 -----										
										(in %)
Land (7.1.1)	140,450	-	-	140,450	-	-	-	-	140,450	-
Building	21,551	-	-	21,551	16,014	706	-	16,720	4,831	5
Computer equipment	13,865	819	-	14,684	11,759	759	-	12,518	2,166	30
Office equipment	8,984	497	-	9,481	5,039	418	-	5,457	4,025	10
Furniture and fixtures	23,067	-	-	23,067	18,241	484	-	18,724	4,343	10
Vehicles	51,392	8,035	(4,330)	55,097	44,789	1,867	(2,040)	44,616	10,481	20
	259,309	9,351	(4,330)	264,330	95,842	4,234	(2,040)	98,035	166,296	
Vehicles under diminishing musharka	13,729	-	-	13,729	1,046	2,537	-	3,583	10,146	20
	273,038	9,351	(4,330)	278,059	96,888	6,771	(2,040)	101,618	176,442	

Particulars	2024									
	----- Cost -----				----- Accumulated Depreciation -----					
	As at January 01, 2024	Additions	Disposals	As at December 31, 2024	As at January 01, 2024	Depreciation for the year	Disposals	As at December 31, 2024	Written down value as at December 31, 2024	Depreciation Rate
----- Rupees in '000 -----										
										(in %)
Land (71.1)	140,450	-	-	140,450	-	-	-	-	140,450	-
Building	21,551	-	-	21,551	15,007	1,007	-	16,014	5,537	5
Computer equipment	13,551	994	(680)	13,865	11,647	680	(568)	11,759	2,106	30
Office equipment	8,262	781	(59)	8,984	4,708	377	(46)	5,039	3,945	10
Furniture and fixtures	23,269	-	(202)	23,067	17,874	538	(171)	18,241	4,826	10
Vehicles	60,891	-	(9,499)	51,392	-	1,801	(8,294)	44,789	6,603	20
	267,974	1,775	(10,440)	259,309	100,518	4,403	(9,079)	95,842	163,467	
Vehicles under diminishing musharka	-	13,729	-	13,729	-	1,046	-	1,046	12,683	20
	267,974	15,504	(10,440)	273,038	100,518	5,449	(9,079)	96,888	176,150	

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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

7.1.2 The details of operating fixed assets, having net book value in aggregate amounting to Rs.500,000 and above sold / disposed off during the year are as follows:

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / Loss	Mode of Disposal	Purchaser	Location
----- Rupees in '000 -----								
Suzuki Swift FDA-14-584	2,100	109	1,991	1,800	(191)	Tender	Balaj Motors	Karachi
Toyota Corolla LEB-16-3229	2,070	1,931	139	3,061	2,922	Tender	Faisal Sami Sial	Karachi
	<u>4,170</u>	<u>2,040</u>	<u>2,130</u>	<u>4,861</u>	<u>2,731</u>			

7.1.3 The company does not have any assets held by third parties, and there are no assets with a carrying amount of zero.

	Note	2025	2024
----- Rupees in '000 -----			
7.2 Capital work-in-progress			
This pertains to property acquisition and renovation costs		<u>26,109</u>	<u>26,109</u>

7.3 Right-of-use assets

The Company has recognized right-of-use assets in respect of the following leases:

As at January 01		4,252	3,029
Reassessment during the year	7.3.1	-	2,496
		<u>4,252</u>	<u>5,525</u>
Depreciation expense		(1,297)	(1,273)
As at December 31		<u>2,955</u>	<u>4,252</u>
Depreciation rate (in years)		<u>3 - 4</u>	<u>3 - 4</u>

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

8. INTANGIBLE ASSETS

2025								
Particulars	Cost			Accumulated Amortization			Written down value as at December 31, 2025	Amortization Rate
	As at January 01, 2025	Additions	As at December 31, 2025	As at January 01, 2025	Amortization for the year	As at December 31, 2025		
Rupees in '000								(in %)
Software	13,866	-	13,866	13,486	114	13,600	266	30

2024								
Particulars	Cost			Accumulated Amortization			Written down value as at December 31, 2023	Amortization Rate
	As at January 01, 2023	Additions	As at December 31, 2023	As at January 01, 2023	Amortization for the year	As at December 31, 2023		
Rupees in '000								(in %)
Software	13,866	-	13,866	13,323	163	13,486	380	30

	Note	2025	2024
Rupees in '000			
9 INVESTMENT PROPERTIES			
Carrying amount as at January 1		346,939	346,758
Additions / capital improvements		434	4,316
Unrealized fair value gain / (loss)		1,953	(4,135)
Carrying amount as at December 31	9.1	349,326	346,939

9.1 Investment properties consists of the following:

Particulars	Location	Covered Area	Carrying value as at December 31, 2024	Capital Improvements	Fair value as at December 31, 2025	Fair value gain / (loss) for the year
		(Sq. ft)	Rupees in '000			
Bungalow, Aga Khan Road	Islamabad	8,793	285,711	434	287,348	1,203
Office, Clifton	Karachi	1,012	19,228	-	19,228	-
Apartment, Silver Oaks	Islamabad	1,500	42,000	-	42,750	750
			346,939	434	349,326	1,953

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

9.2 The fair value of the investment properties was determined by independent valuers, M/s Hamid Mukhtar & Company (Private) Limited and M/s Pakistan Inspection Company (Private) Limited, both of whom possess appropriate recognized professional qualifications, are included on the panel of A-rated professional valuers, and have recent experience in the location and category of the properties being valued; in the case of apartments, the fair market and present values have been determined with due consideration to the location of the properties, prevailing local market conditions, inquiries conducted in the vicinity, and inputs obtained from property dealers.

	2025	2024
	----- Rupees in '000 -----	
10. INVESTMENT IN AN ASSOCIATE		
As at January 01	312,221	259,222
Share of profit for the year	2,594	14,234
Less: dividend received during the year	(4,000)	(4,000)
Share of other comprehensive (loss) / income	(17,066)	42,765
As at December 31	293,749	312,221

10.1 The Company has accounted for investment in Crescent Powertec Limited as associate under IAS 28 "Investment in Associates and Joint Ventures", as management has concluded that the Company has significant influence therein. The assessment is based on the facts that the Company's three directors are also the Board members of Crescent Powertec Limited which comprise of five members, resulted in 60% (2024: 60%) representation on the Board of investee company.

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

Year	Assets	Liabilities	Revenue	Profit	Other comprehensive income	% Interest held
	----- Rupees in '000 -----					
As at December 31, 2025	303,670	(9,921)	286	2,594	(17,066)	8%
As at December 31, 2024	320,498	(8,277)	620	14,234	42,765	8%

10.3 The financial year end of the associate company is June 30. However, the total assets and liabilities disclosed above are based on the management accounts for the year ended December 31, 2025 (Unaudited) (2024: Audited). Revenue and profit for the year disclosed above have been worked out on the basis of financial information for the year ended December 31, 2025 (2024: Audited). The share of profit and other comprehensive income are on the basis of management accounts for the year ended December 31, 2025.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

11. INVESTMENTS - EQUITY SECURITIES

	2025				2024			
	Cost	Impairment / provision for the year	Unrealised gain during the year	Carrying value	Cost	Impairment / provision for the year	Unrealised gain during the year	Carrying value
----- Rupees in '000 -----								
Available-for-sale								
Investment in equity securities								
At fair value								
Related parties								
Listed shares	187,663	-	127,170	314,834	187,816	-	102,124	289,940
Unlisted shares	-	-	-	-	-	-	-	-
Other than related parties								
Listed shares	512,488	-	209,098	721,586	343,549	-	243,328	586,877
Unlisted shares								
At cost								
Other than related parties								
Unlisted shares	1,483	-	-	1,483	1,483	-	-	1,483
Investment in mutual funds *	54,476	-	12,572	67,048	47,268	-	15,176	62,444
Total investments	756,110	-	348,841	1,104,950	580,116	-	360,628	940,744

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

12. LOANS AND OTHER RECEIVABLES

	Note	2025	2024
----- Rupees in '000 -----			
Considered good- Unsecured			
Mark-up and dividend receivable		371	7
Loans to employees	12.1	1,250	1,058
Deposits	12.2	33,017	22,464
Receivables against sale of investment	12.3	23,830	35,020
Advance to agents		-	3,922
Other receivables		15,244	18,179
		73,712	80,650

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

12.2 This includes deposit made to a legal advisor for representing the Company in Appellate Tribunal.

12.3 This represents the closing cash balance held with BMA Securities against sale and purchase of shares.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	2025	2024
13 INSURANCE / REINSURANCE RECEIVABLES		----- Rupees in '000 -----	
Due from insurance contract holders	13.1	199,721	253,376
Amounts due from other insurers / reinsurers	13.2	156,133	217,226
		355,854	470,602
13.1 Due from insurance contract holders			
Unsecured			
Considered good		199,721	253,376
Considered doubtful		187,990	182,933
		387,711	436,309
Provision for doubtful balances	13.1.1	(187,990)	(182,933)
		199,721	253,376
13.1.1 Provision for doubtful balances			
As at January 01		182,933	178,715
Provision made during the year		5,057	4,977
Write-off during the year		-	(759)
As at December 31		187,990	182,933
13.2 Amounts due from other insurers / reinsurers			
Unsecured			
Considered good		156,133	217,226
Considered doubtful		167,723	162,666
		323,856	379,892
Provision for doubtful balances	13.2.1	(167,723)	(162,666)
		156,133	217,226
13.2.1 Provision for doubtful balances			
As at January 01		162,666	117,200
Provision made during the year		5,057	45,466
As at December 31		167,723	162,666

13.3 The Company has co-insurance and re-insurance arrangements with various insurance and re-insurance companies. Under the above arrangements, the receivable and payable balances originate mainly due to premiums collected or claims settled by the lead insurer on behalf of other co-insurers, and in case of re-insurance, the premium ceded to and claims recoverable from the re-insurer under the respective contracts. As per the prevailing industry practices, settlement of balances under co-insurance arrangements are done between the respective insurance companies in normal course of business. The management represents that the current balances of co-insurers and re-insurers reflected in the records of the Company are based on the underlying contracts and transactions supported by appropriate evidence. In this regard, the Company exchanged balance information with various co-insurers based on significance of the balances and the re-insurers. This information corroborates the balance position of the Company in all material respects.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	2025	2024
----- Rupees in '000 -----			
14 DEFERRED TAXATION			
Taxable temporary differences arising from:			
Accelerated tax depreciation		(92,383)	(96,212)
Investment in an associate		(79,423)	(89,384)
Intangible assets		(75)	(110)
		<u>(171,881)</u>	<u>(185,706)</u>
Deductible temporary differences arising from:			
Retirement benefit obligations		2,184	1,733
Provision for doubtful receivables		103,157	100,224
Provision for IBNR		12,648	13,713
Provision for impairment of investments		17,406	125,826
Lease liabilities		2,662	3,392
Unused tax losses		158,134	134,223
Unused tax depreciation		52,943	51,803
		<u>349,134</u>	<u>430,914</u>
		<u>177,253</u>	<u>245,208</u>
Deferred tax asset not recognized		(124,310)	(193,405)
Deferred tax asset recognized	14.1	<u>52,943</u>	<u>51,803</u>

14.1 The Company has accounted for deferred tax asset on unused tax depreciation based on its future projections and in accordance with accounting policy as stated in note 5.26 to these financial statements.

	Note	2025	2024
----- Rupees in '000 -----			
15 PREPAYMENTS			
Prepaid reinsurance premium ceded	26	113,630	118,388
Other prepaid expense		1,543	1,639
		<u>115,173</u>	<u>120,027</u>

16 CASH AND BANK			
Cash and cash equivalent			
- Policy, revenue stamps and bond papers		90	292
Cash at bank			
- Current accounts		2,550	5,701
- Savings account	16.1	11,280	48,464
		<u>13,920</u>	<u>54,457</u>

16.1 These carry markup at rates ranging from 5.24% to 10.76% per annum (2024: 3.54% to 20.50% per annum).

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2025	2024
	----- Rupees in '000 -----	
17 WINDOW TAKAFUL OPERATIONS		
17.1 WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND		
Assets		
Loan and other receivables	804	450
Receivable from PTF	54,496	44,848
Deferred commission expense	17,340	10,384
Cash and bank	10,742	11,532
	<u>83,382</u>	<u>67,214</u>
Qard-e-hasna contributed to PTF	99,903	99,903
Total Assets	<u>183,285</u>	<u>167,117</u>
Liabilities		
Payable to Premier Insurance	229,392	195,771
Other liabilities	88,380	63,229
Total Liabilities	<u>317,772</u>	<u>259,000</u>
Loss for the year	<u>(38,379)</u>	<u>(26,092)</u>
17.2 WINDOW TAKAFUL OPERATIONS - PARTICIPANT'S FUND		
Assets		
Investment	12,693	11,115
Cash and bank	78,384	84,974
Other Assets	282,167	210,169
Total Assets	<u>373,244</u>	<u>306,258</u>
Liabilities		
Payable to OPF	54,496	44,848
Qard-e-hasna	99,903	99,903
Other liabilities	294,400	219,915
Total Liabilities	<u>448,799</u>	<u>364,666</u>
Total fund balance	<u>(75,555)</u>	<u>(58,408)</u>
Total equity and liabilities	<u>373,244</u>	<u>306,258</u>

17.3 Details of assets and liabilities and segment disclosures of Window Takaful Operations are stated in annexed financial statements for the year ended December 31, 2025.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

18. SHARE CAPITAL

18.1 Authorized Share Capital

2025	2024		2025	2024
Number of shares in '000			----- Rupees in '000 -----	
75,000	75,000	Ordinary shares of Rs.10 Issued as each.	750,000	750,000

18.2 Issued, subscribed and paid-up share capital

2025	2024		2025	2024
Number of shares in '000			----- Rupees in '000 -----	
200	200	Ordinary share of Rs. 10 each issued as fully paid in cash	2,000	2,000
50,365	50,365	Ordinary shares of Rs.10 each issued as fully paid bonus share	503,650	503,650
50,565	50,565		505,650	505,650

18.3 As at December 31, 2025, the number of shares held by the associated undertakings were 13,428,803 (2024: 13,428,803) of Rs.10 per share.

	Note	2025	2024
		----- Rupees in '000 -----	
19 RESERVES			
Capital reserves			
Reserve for exceptional loss	19.1	19,490	19,490
Devaluation reserve	19.2	185	185
		19,675	19,675
Revenue reserves			
General reserve		996,851	996,851
Revaluation reserve of available for sale investments - Company		348,842	360,628
Revaluation reserve of available for sale investments - Associate		203,212	220,278
Revaluation reserve - Property and equipment	19.3	35,859	35,859
Total revenue reserves		1,584,764	1,613,616
Total reserves		1,604,439	1,633,291
Accumulated losses			
		(817,041)	(939,890)
		787,398	693,401

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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

	Note	2025	2024
		----- Rupees in '000 -----	
20 RETIREMENT BENEFIT OBLIGATIONS			
Defined benefit plan - gratuity	20.1	725	966
Employee compensated absences	20.11	6,806	5,009
		<u>7,531</u>	<u>5,975</u>
20.1 Liability in statement of financial position			
Present value of defined benefit obligation	20.4	<u>725</u>	<u>966</u>
20.2 Movement in the net liability recognized			
As at 01 January		966	1,527
Expense / (income) for the year	20.3	82	(361)
		<u>1,048</u>	<u>1,166</u>
Payments during the year		(305)	(270)
Experience adjustment		(18)	70
Balance at 31 December		<u>725</u>	<u>966</u>
20.3 Expense recognized in the profit and loss account			
Interest (income) / cost on defined benefit obligation		<u>82</u>	<u>(361)</u>
20.4 Reconciliation of the present value of the defined benefit obligations			
As at January 01		966	1,527
Expense / (income) for the year	20.3	82	(361)
Benefit paid		(305)	(270)
Experience adjustments	20.5	(18)	70
As at December 31		<u>725</u>	<u>966</u>

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
20.5	Gain / (loss) re-measurements chargeable in other comprehensive income		
	Actuarial (loss) / gain on remeasurement	(18)	70
	Experience adjustments	(18)	70
20.6	Maturity profile of defined benefit obligation		
	Average duration of the defined benefit obligation is:	3.11 Years	3.14 Years
20.7	The estimated expenses to be charged to profit and loss account for the year 2026 is Rs. 57,992.		
20.8	Projected Unit Credit (PUC) Actuarial cost method was used for calculating the accounting entries in this report.		
		2025	2024
20.9	Sensitivity analysis on significant actuarial assumptions of actuarial liability:		
	Principal actuarial assumptions used are as follows:		
	Discount rate used for interest cost in profit and loss account	11.00%	12.25%
	Discount rate used for year end obligation	11.00%	12.25%
	Next salary is increased at	January 1, 2026	January 1, 2025
	Retirement assumption	Age 60	Age 60
		2025	2024
		----- Rupees in '000 -----	
	Base	725	941
	Discount rate +100 bps	708	941
	Discount rate -100 bps	743	991
	Salary increase rate +100 bps	725	966
	Salary increase rate -100 bps	725	966
	Molarity rate +10%	725	965
	Molarity rate -10%	725	966
	Withdrawal rate +10%	726	971
	Withdrawal rate -10%	723	960

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

20.10 Historical data of gratuity scheme

	2025	2024	2023	2022	2021
----- Rupees in '000 -----					
Present value of defined benefits obligations	725	966	1,527	1,901	2,292
Experience adjustment arising on plan liabilities	(18)	70	(396)	(561)	168

20.11 Movement in the net liability recognized in the statement of financial position - Employee Compensated Absences

	2025	2024
----- Rupees in '000 -----		
As at January 01	5,008	5,408
Expense for the year	2,025	264
	7,033	5,672
Interest cost	543	739
Payment during the year	(606)	(1,942)
Actuarial (loss) / gain on remeasurement	(164)	540
As at December 31	6,806	5,009

20.12 Expense recognized in the profit or loss account

Current service cost	2,025	264
Interest cost	543	739
	2,568	1,003

20.13 Principal Actuarial Assumptions

Following are important actuarial assumptions used in the benefits valuation:

Discount rate	11.00%	12.25%
Salary increase rate (p.a.)	11.00%	12.25%

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

20.15 The estimated expenses to be charged to profit and loss account for the year 2026 is NIL.

20.16 Average duration of the defined benefit obligation is: 11.10 yrs.

	Note	2025	2024
21 LIABILITIES UNDER DIMINISHING MUSHARKA			
Vehicles	21.1	5,125	6,411

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Minimum lease payments	Financial charges for future periods	Principal outstanding
	----- Rupees in '000 -----		
21.1 Not later than one year	2,915	1,289	1,626
Later than one year and not later than five years	4,617	1,118	3,499
	<u>7,532</u>	<u>2,407</u>	<u>5,125</u>

	Note	2025	2024
		----- Rupees in '000 -----	
22 LEASE LIABILITIES			
Lease liabilities against right of use assets	22.1	<u>4,055</u>	<u>5,285</u>
22.1 Lease liability			
As at January 1		5,285	3,954
Reassessment made during the year		-	2,496
Payment made during the year		<u>(2,044)</u>	<u>(1,978)</u>
		3,241	4,472
Interest charge for the year		814	813
As at December 31	22.2	<u>4,055</u>	<u>5,285</u>

	Minimum lease payments	Financial charges for future periods	Principal outstanding
	----- Rupees in '000 -----		
22.2 Not later than one year	2,044	565	1,479
Later than one year and not later than five years	3,090	514	2,576
	<u>5,134</u>	<u>1,079</u>	<u>4,055</u>

	2025	2024
	----- Rupees in '000 -----	
23 INSURANCE / REINSURANCE PAYABLES		
Due to other insurers / reinsurers	<u>505,652</u>	<u>667,741</u>

23.1 The Company has co-insurance and re-insurance arrangements with various insurance and a domestic re-insurance companies. Under the above arrangements, the receivable and payable balance is due when premium collected or claims settled by the lead insurer on behalf of other co-insurers, and in case of re-insurance, the premium ceded to and claims recoverable from the re-insurer under the respective contracts. As per the prevailing industry practices, settlements of balances under co-insurance arrangements are done between the respective insurance companies in normal course of business.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

The Company believes that the current balances of co-insurers and re-insurer reflected in the records of the Company are based on the underlying contracts and transactions supported by appropriate evidence.

In this regard, the Company exchanged balance information with various co-insurers based on significance of the balances and the re-insurers. This information corroborates the balance position of the Company in all material respects.

	Note	2025	2024
----- Rupees in '000 -----			
24 OTHER CREDITORS AND ACCRUALS			
Bonus payable		-	218
Commissions payable		115,018	126,221
Federal excise duty and sales tax		22,251	23,987
Deposits and margins		2,929	2,127
Provision for rent	24.1	14,000	14,000
Unclaimed dividend		22,423	22,423
Others	24.2	103,592	67,355
		<u>280,213</u>	<u>256,331</u>

24.1 The Company is in litigation with the landlord against rental premises. The possibility of the eventual beneficiary being other than the Company is considered remote by the Company's legal advisor. However, the Company has made a provision of the disputed amount as a matter of prudence.

24.2 This includes an amount of Rs. 59.48 million (2024: Rs. 34.89 million) payable to health TPA against claims that have already been paid by Health Econex on behalf of the Company. This also includes outstanding claims in respect of which cheques aggregating to Rs. 2.8 million (2024: Rs. 6.9 million) have been issued by the Company for claim settlement but have not yet been encashed by the claimants. The following is the aging as required by the Securities and Exchange Commission of Pakistan (SECP) Circular No. 11 of 2014 dated May 19, 2014.

	2025	2024
----- Rupees in '000 -----		
1 to 6 months	-	4,350
More than 6 months	2,831	2,613
Claims not encashed	<u>2,831</u>	<u>6,963</u>

Claims not encashed

	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months	Total
----- Rupees in '000 -----						
2025	-	320	185	235	2,091	2,831
2024	4,350	-	153	44	2,416	6,963

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2025	2024
	----- Rupees in '000 -----	
25. CONTINGENCIES AND COMMITMENTS		
25.1 Commitments		
Commitment for capital expenditure	<u>15,038</u>	<u>15,038</u>

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

25.2 Contingencies

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

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

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

25.2.4 The Additional Commissioner Inland Revenue (ADCIR) passed an assessment order for Tax Year 2020 creating a net demand of Rs. 3.25 million. The Company filed an appeal before the Commissioner (Appeals). The Commissioner (Appeals) deleted the tax demand created by the ADCIR on account of minimum tax under section 113 of the Ordinance. The department has filed an appeal before the Appellate Tribunal Inland Revenue against the said order. Based on the opinion of the Company's tax advisor, the management believes that the matter is likely to be decided in favour of the Company. Accordingly, no provision has been made in these financial statements.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

- 25.2.5** The Sindh Revenue Board (SRB) has not extended the exemption on health insurance with effect from July 1, 2023. The management of the Company sought a legal opinion from legal advisors, who confirmed the Company's contention that health insurance is not a service, but, an underwriter's promise to pay to its policyholders in the future, as is also clearly defined in the definition of the term "insurance" under the Insurance Ordinance, 2000. The insurance industry decided to challenge the matter and a constitutional petition has been filed at the Honorable Sindh High Court (the Court). Based on the above, the Company is not charging sales tax on the policies written in the province of Sindh, nor recognising the liability for Sindh Sales Tax (SST) till June 30, 2024 in the financial statements. The management estimates the total exposure on this matter as at December 31, 2025 amounts to Rs. 35.431 million (2024: 35.431 million).
- 25.2.6** During the year 2023, the Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) for the tax year 2018 for a net demand of Rs. 13.9 million. The Company has filed an appeal before the Commissioner Appeals. Based on the opinion of the tax advisor of the Company, the management believes that the matter will be decided in the favor of the Company, and therefore, no provision is required to be made in these financial statements.
- 25.2.7** With respect to appeal filed by the department for the tax year 2010, 2012 and 2013, the Appellate Tribunal Inland Revenue (ATIR) passed an order in favor of the Department. The Company has filed a reference appeal against the order of ATIR before the Court. Based on the opinion of the tax advisor of the Company, the management believes that the matter will be decided in the favor of the Company, and therefore, no provision is required to be made in these financial statements.
- 25.2.8** During the year 2024, the Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(5A) of the Ordinance for the tax year 2019, 2021 and 2023 for a net demand of Rs. 5.7 million, Rs. 4.4 million and Rs. 4.65 million respectively. The Company has filed an appeal before the Commissioner Appeals. Based on the opinion of the tax advisor of the Company, the management believes that the matter will be decided in the favor of the Company, and therefore, no provision is required to be made in these financial statements.
- 25.2.9** During the year 2024, the Additional Commissioner Inland Revenue passed an order under section 122(5A) of the Ordinance for the tax year 2022 and reduced the refundable balance from 27.7 million to Rs. 8.4 million. The Company has filed an appeal before the Commissioner Appeals. Based on the opinion of the tax advisor of the Company, the management believes that the matter will be decided in the favor of the Company, and therefore, no provision is required to be made in these financial statements.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2025	2024
	----- Rupees in '000 -----	
26 NET INSURANCE PREMIUM		
Written gross premium	505,709	497,674
Add: Unearned premium reserve opening	284,803	273,246
Less: Unearned premium reserve closing	(271,436)	(284,803)
Premium earned	<u>519,076</u>	<u>486,117</u>
Reinsurance premium ceded	240,095	257,794
Add: Prepaid reinsurance premium opening	118,388	76,979
Less: Prepaid reinsurance premium closing	(113,630)	(118,388)
Reinsurance expense	<u>244,853</u>	<u>216,385</u>
Net insurance premium	<u><u>274,223</u></u>	<u><u>269,732</u></u>
27 NET INSURANCE CLAIMS		
Claims paid	247,202	293,734
Less: Outstanding claims including IBNR opening	(490,710)	(607,489)
Add: Outstanding claims including IBNR closing	500,876	490,710
Claims expense	<u>257,368</u>	<u>176,955</u>
Reinsurance and other recoveries received	127,019	90,788
Less: Reinsurance and other recoveries in respect of outstanding claims - opening	(207,465)	(276,075)
Add: Reinsurance and other recoveries in respect of outstanding claims - closing	170,357	207,465
Reinsurance and other recoveries revenue	<u>89,911</u>	<u>22,178</u>
Net insurance claims	<u><u>167,457</u></u>	<u><u>154,777</u></u>

27.1 The net provision for IBNR on the basis of actuarial valuation carried out as at December 31, 2025 amounted to Rs. 43.62 million (2024: Rs. 47.28 million).

27.2 Claim Development

The Company maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year.

The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before reinsurance.

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

Accident Year	CLAIM DEVELOPMENT TABLE												Total
	Prior Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
----- (Rupees in '000) -----													
Estimate of ultimate claims cost:													
At end of accident year		549,129	780,536	638,177	309,753	211,456	243,018	834,017	598,621	245,023	270,370	207,996	
One year later		609,555	792,576	681,549	265,234	167,378	218,906	802,136	613,337	223,709	209,929		
Two years later		592,145	808,369	673,049	265,147	173,836	212,496	824,149	541,224	262,195			
Three years later		603,781	813,336	664,076	265,544	174,504	209,700	818,059	540,856				
Four years later		604,848	809,445	664,220	262,291	174,553	209,289	815,687					
Five years later		605,043	808,485	668,173	262,248	174,398	209,356						
Six years Later		605,871	810,934	669,636	263,906	175,251							
Seven Years Later		606,912	811,129	669,206	263,829								
Eight Years Later		606,895	812,668	669,288									
Nine Years Later		606,951	812,635										
Ten Years Later		606,951											
Current estimate of cumulative claims	806,821	606,951	812,635	669,288	263,829	175,251	209,356	815,687	540,856	262,195	209,929	207,996	5,580,795
Cumulative payments till date	(770,417)	(570,899)	(628,167)	(655,598)	(254,391)	(172,523)	(200,838)	(777,102)	(492,945)	(225,911)	(183,302)	(147,826)	(5,079,919)
Liability recognised in statement financial position	36,403	36,052	184,468	13,690	9,438	2,728	8,518	38,585	47,911	36,285	26,627	60,170	500,876

28 NET COMMISSION (INCOME) / EXPENSE AND OTHER ACQUISITION COSTS

2025 2024
----- Rupees in '000 -----

Commission paid or payable	44,314	32,134
Add: Deferred commission expense opening	18,707	21,517
Less: Deferred commission expense closing	(24,626)	(18,707)
Commission expense	38,395	34,944
Commission received or recoverable from reinsurers	62,728	48,497
Add: Unearned reinsurance commission opening	26,133	12,738
Less: Unearned reinsurance commission closing	(25,324)	(26,133)
Commission from reinsurance	63,537	35,102
Net commission income	(25,142)	(158)
Add: other acquisition costs:		
Tracking device expenses	122	318
Service charges	13,552	11,778
Other costs	223	4,131
	13,897	16,227
Net commission (income) / expense and other acquisition costs	(11,245)	16,069

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
29 MANAGEMENT EXPENSES			
Employee benefit cost	29.1	127,131	137,201
Travelling expenses		2,986	2,083
Advertisement and sales promotion		5,771	2,086
Printing and stationary		1,492	1,760
Depreciation on property and equipment	7.1	6,771	5,449
Depreciation on right of use assets	7.3	1,297	1,273
Amortization	8	114	163
Rent, rates and taxes		4,462	3,342
Legal and professional charges		11,221	6,140
Electricity, gas and water		5,024	7,182
Entertainment		1,961	1,752
Vehicle running expenses		2,351	2,534
Office repairs and maintenance		2,991	3,451
IT and software related expense		3,259	2,365
Bank charges		134	86
Postages, telegrams and telephone		2,714	3,104
Insurance expense		1,786	1,982
Annual supervision fee SECP		680	1,048
Bad and doubtful debts		10,114	50,444
Others		1,346	1,528
		193,605	234,973
29.1 Employee benefit cost			
Salaries, allowance and other benefits		118,445	131,483
Charges for post employment benefit		8,686	5,718
		127,131	137,201
30 INVESTMENT INCOME			
Income from equity securities and mutual fund units			
Available for sale			
Dividend income			
- Equity securities		47,004	43,823
- Mutual funds		9,609	15,773
Net realized gain on investments			
Available for sale			
- Equity securities		222,991	148,231
- Mutual funds		209	6,731
Total investment income		279,813	214,558
Less: investment related expenses		(46,690)	(2,257)
		233,123	212,301

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
31 OTHER INCOME			
Return on bank balances		2,758	3,971
Gain on sale of operating fixed assets		2,731	11,327
Fair value gain / (loss) on investment property	9	1,953	(4,135)
Miscellaneous		1,177	3,018
		<u>8,619</u>	<u>14,182</u>
32 OTHER EXPENSES			
Auditor's remuneration	32.1	2,531	2,410
Fees and subscription		4,423	4,873
Donations	32.2	1,123	-
		<u>8,077</u>	<u>7,283</u>
32.1 Auditors' remuneration			
Audit fee		1,549	1,475
Review of interim financial statements		493	435
Special certifications and other		489	500
		<u>2,531</u>	<u>2,410</u>
32.2 Donations were made during the year to various organizations. None of the directors, key management personnel, or their close family members had any direct or indirect interest in the recipient organizations.			
33 FINANCE COSTS			
Liability under diminishing musharka		1,298	626
Lease liabilities		814	813
		<u>2,112</u>	<u>1,439</u>
34 LEVY-MINIMUM TAX DIFFERENTIAL			
Minimum tax differential	34.1	10,552	6,222
34.1 This represents portion of minimum tax paid under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.			
35 INCOME TAX			
Current		-	-
Deferred		1,140	1,056
		<u>1,140</u>	<u>1,056</u>
35.1 The relationship between tax expense and accounting profit has not been presented in these financial statements as the income of the Company is subject to tax under section 113 of the Income Tax Ordinance, 2001.			

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2025	2024
	----- Rupees in '000 -----	
36 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the year	<u>122,666</u>	<u>69,059</u>
	-- Number of shares in '000 --	
Weighted average number of ordinary shares outstanding during the year	<u>50,565</u>	<u>50,565</u>
	----- Rupees -----	
Earnings per share - basic and diluted	<u>2.43</u>	<u>1.37</u>

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

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	Chief Executive		Director		Executive	
	2025	2024	2025	2024	2025	2024
	----- Rupees in '000 -----					
Managerial remuneration	-	-	5,034	2,946	78,572	81,107
Leave encashment	-	-	-	-	395	1,210
Fuel and travelling	-	-	1,255	2,317	15,869	17,423
Contribution to defined contribution plan	-	-	405	257	3,938	3,827
Rent and house maintenance	-	-	1,378	982	21,139	21,800
Utilities	-	-	1,378	982	17,801	17,556
Medical	-	-	-	24	2,367	2,498
Others	-	-	5,933	3,396	18,414	5,662
	<u>-</u>	<u>-</u>	<u>15,383</u>	<u>10,904</u>	<u>158,495</u>	<u>151,083</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>49</u>	<u>48</u>

37.1 Director fee for the year for attending the Board meetings is Rs. 740 thousand (2024: Rs. 860 thousand).

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

38 NUMBER OF EMPLOYEES

The total and average number of employees during the year ended December 31, 2025 and 2024 are as follows:

	2025	2024
	----- Number -----	
As at year end	<u>90</u>	<u>82</u>
Average during the year	<u>87</u>	<u>83</u>

39 RELATED PARTY TRANSACTIONS

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

	2025	2024
	----- Rupees in '000 -----	
Transactions during the year		
Associated Companies		
Premium underwritten	124,938	136,004
Premium received	154,686	144,987
Claims paid	64,099	53,012
Dividend received	13,195	8,912
Commission paid	-	1,530
Others	2,106	10,591
Others		
Premium underwritten	498	20
Premium received	581	7
Claims paid	110	-
Balances		
Associated Companies		
Premium receivable	71,744	82,967
Claims outstanding	35,065	49,450
Commission outstanding	1,180	1,180
Others		
Premium receivable	134	134

39.1 Company's contribution toward staff provident fund for the year is Rs. 3.26 million (2024: Rs. 3.44 million).

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

40. SEGMENT REPORTING

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	----- Rupees in '000 -----											
Premium receivable (inclusive of FED / Sales Tax, Federal insurance fee and Administrative surcharge)	220,136	169,785	54,307	46,670	107,549	87,933	149,487	200,447	37,197	55,738	568,676	560,574
Less: FED / sales tax	18,057	18,467	8,485	5,371	14,556	11,251	12,884	16,675	4,863	6,605	58,846	58,368
Less: Federal insurance fee	1,132	1,176	439	390	894	725	1,353	1,807	303	434	4,120	4,531
Gross written Premium (inclusive of Administrative surcharge)	200,948	150,142	45,383	40,909	92,099	75,958	135,249	181,965	32,031	48,700	505,710	497,674
Gross direct premium	112,477	116,689	42,697	37,932	87,898	71,334	134,989	181,689	29,906	42,743	407,968	450,387
Facultative inward premium	87,785	32,666	1,466	1,913	2,733	3,504	-	-	1,768	5,300	93,752	43,383
Administrative surcharge	686	787	1,219	1,064	1,468	1,121	260	276	357	657	3,990	3,904
Insurance premium earned	172,259	116,778	46,012	38,403	86,991	79,869	172,993	203,397	40,821	47,671	519,077	486,117
Insurance premium ceded to reinsurers	(141,460)	(111,207)	(32,660)	(31,742)	(7,412)	(8,042)	(40,473)	(41,774)	(22,846)	(23,620)	(244,853)	(216,385)
Net Insurance premium	30,799	5,571	13,352	6,661	79,579	71,827	132,520	161,623	17,975	24,051	274,224	269,732
Commission income from reinsurers	35,411	16,042	10,626	7,045	201	404	7,399	7,957	9,900	3,655	63,537	35,102
Net underwriting income	66,210	21,613	23,978	13,706	79,780	72,231	139,919	169,579	27,874	27,705	337,762	304,835
Insurance claims expense	(74,829)	62,801	(5,060)	(3,415)	(40,698)	(21,776)	(131,979)	(200,540)	(4,802)	(14,024)	(257,368)	(176,954)
Insurance claims recovered from reinsurers and other recoveries revenue	52,864	(36,580)	2,899	3,189	3,806	4,340	30,800	41,628	(459)	9,602	89,911	22,179
Net Insurance claims	(21,965)	26,221	(2,161)	(226)	(36,892)	(17,436)	(101,179)	(158,912)	(5,262)	(4,424)	(167,459)	(154,777)
Commission expense	(17,295)	(9,647)	(1,790)	(1,598)	(6,293)	(4,993)	(7,765)	(11,049)	(5,251)	(7,657)	(38,394)	(34,944)
Premium deficiency	-	-	-	-	-	-	-	-	-	-	-	-
Management expense	(64,249)	(56,446)	(17,162)	(18,563)	(32,446)	(38,606)	(64,523)	(98,315)	(15,225)	(23,043)	(193,605)	(234,973)
Other acquisition cost	2,108	214	563	70	942	(171)	(18,009)	(16,427)	499	87	(13,897)	(16,227)
Net insurance claims and expenses	(101,401)	(39,658)	(20,550)	(20,317)	(74,689)	(61,206)	(191,477)	(284,704)	(25,239)	(35,037)	(413,356)	(440,921)
Underwriting result	(35,191)	(18,045)	3,428	(6,611)	5,091	11,025	(51,558)	(115,124)	2,636	(7,331)	(75,594)	(136,086)
Investment income											233,123	212,301
Rental income											11,904	4,410
Revaluation (loss) / gain on investment property											1,953	(4,135)
Other income											6,666	18,316
Other expenses											(8,077)	(7,283)
Finance cost											(2,112)	(1,439)
Share of profit from associate											2,594	14,234
Share of loss from WTO - Operator's Fund											(38,379)	(26,092)
Profit before tax											132,078	74,226

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

40.1 Segment assets and liabilities

The following presents segments assets and liabilities for the year ended December 31, 2025 and December 31, 2024:

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	----- Rupees in '000 -----											
Segment assets	264,423	246,250	59,718	67,096	121,191	124,580	177,972	298,444	42,149	79,873	665,452	816,243
Unallocated corporate assets											2,689,432	2,495,685
Total assets											3,354,884	3,311,928
Segment Liabilities	517,871	443,294	116,958	120,785	237,352	224,267	348,557	537,253	82,549	143,787	1,303,287	1,469,386
Unallocated corporate liabilities											296,925	274,003
Total liabilities											1,600,212	1,743,389

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

41 MOVEMENT IN INVESTMENTS - AVAILABLE FOR SALE

	Rupees in '000
As at January 01, 2024	701,565
Additions	441,134
Disposals (sale and redemptions)	(342,396)
Fair value net gains (excluding net realized gain)	140,441
As at January 01, 2025	940,744
Additions	1,355,718
Disposals (sale and redemptions)	(1,179,724)
Fair value net loss (excluding net realized loss)	(11,786)
As at December 31, 2025	1,104,952

42 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

42.1 Insurance Risk

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

The Company generally deals in short tail insurance contracts (maximum for one year). Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

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

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

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

a) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Company manages these risk through the measures described above. The Company has limited its exposure to catastrophic and riot events by use of re-insurance arrangements.

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and 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.

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

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

	2025	2024
	Maximum Gross Risk Exposure	Maximum Gross Risk Exposure
	----- Rupees in '000 -----	
Fire and property damage	3,832,764	6,420,905
Marine, aviation and transport	1,928,286	1,470,000
Motor	89,000	37,500
Health	3,000	114,944
Miscellaneous	70,000	70,000

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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

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

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

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

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

Key assumptions

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

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

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

Class	2025	2024
	Assumed net loss ratio	
Fire and property damage	71%	42%
Marine, aviation and transport	16%	7%
Motor	46%	80%
Health	76%	79%
Miscellaneous	29%	32%

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

c) Sensitivity analysis

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

As the Company mostly enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit / (loss) before tax net of reinsurance.

	Pre tax profit / (loss)		Shareholders' equity	
	2025	2024	2025	2024
	----- (Rupees in '000) -----			
10% increase in loss	(16,746)	(15,478)	(16,746)	(15,478)
10% decrease in loss	16,746	15,478	16,746	15,478

Claims development

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

Geographical concentration of insurance risk

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

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2025	2024
	----- Rupees in '000 -----	
43 FINANCIAL RISKS		
43.1 Financial instruments by category		
Financial assets		
Loans and other receivables	73,712	80,650
Insurance / reinsurance receivables	355,854	470,602
Reinsurance recoveries against outstanding claims	170,357	207,465
Salvage recoveries accrued	9,476	4,075
Cash and bank balances	13,920	54,457
Total Financial assets of Window Takaful Operations - OPF and PTF	353,147	300,593
Available for sale		
Investments - equity securities	1,104,950	878,300
Financial liabilities		
At amortized cost		
Outstanding claims including IBNR	500,876	490,710
Lease liabilities	5,125	6,411
Insurance / reinsurance payables	505,652	667,741
Other creditors and accruals	266,213	219,908
Unclaimed dividend	-	22,423
Total liabilities of Window Takaful Operations - OPF and PTF	387,954	319,770

43.2 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

43.2.1 Credit risk

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

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2025	2024
	----- Rupees in '000 -----	
Bank deposits	13,830	54,165
Premium due but unpaid - net of provision	199,721	253,376
Amount due from other insurers / reinsurers - net of provision	156,133	217,226
Accrued investment income	371	7
Reinsurance recoveries against outstanding claims	170,357	207,465
Deposits and other receivables	73,341	80,643
	<u>613,752</u>	<u>812,881</u>

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

	2025	2024
	----- Rupees in '000 -----	
The age analysis of premium due but unpaid is as follows:		
Up to 1 year	100,256	158,006
1 -2 years	24,476	9,620
2 - 3 years	3,196	4,681
Over 3 years	259,782	264,002
	<u>387,710</u>	<u>436,309</u>

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

Up to 1 year	52,495	74,302
1 -2 years	13,988	4,128
2 - 3 years	3,173	1,131
Over 3 years	2,222	3,539
	<u>71,878</u>	<u>83,100</u>

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	Amount due from reinsurance operators	Reinsurance recoveries against outstanding claims	Other reinsurance asset	2025	2024
----- Rupees in '000 -----					
A or above	269,195	166,098	110,789	546,082	516,023
BBB	52,874	4,259	2,841	59,974	131,718
Others	1,804	-	1,543	3,347	59,644
Total	323,874	170,357	115,173	609,404	707,385

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

Bank	Rating agency	2025	
		Short term	Long term
MCB Bank Limited	PACRA	A1+	AAA
JS Bank Limited	PACRA	A-1+	AA
Faysal Bank Limited	PACRA / VIS	A-1+	AA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
National Bank Limited	PACRA / VIS	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
FINCA Microfinance Bank Limited	VIS	A-2	A-
Allied Bank Limited	PACRA	A-1+	AAA
Habib Bank Limited	VIS	A-1+	AAA

43.3 Liquidity risk

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

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

	2025			Total
	Within 1 year	2 - 5 years	More than 5 years	
----- (Rupees in '000) -----				
Financial liabilities				
Outstanding claims including IBNR	500,876	-	-	500,876
Lease liabilities	1,943	3,182	-	5,125
Insurance / reinsurance Payables	505,652	-	-	505,652
Other creditors and accruals	266,213	-	-	266,213
Unclaimed dividend	-	-	-	-
Total liabilities of Window Takaful Operations - OPF and PTF	387,954	-	-	387,954
	1,662,638	3,182	-	1,665,820

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2024			Total
	Within 1 year	2 - 5 years	More than 5 years	
----- (Rupees in '000) -----				
Financial liabilities				
Outstanding claims including IBNR	490,710	-	-	490,710
Lease liabilities	3,229	3,182	-	6,411
Insurance / reinsurance Payables	667,741	-	-	667,741
Other creditors and accruals	219,908	-	-	219,908
Unclaimed dividend	22,423	-	-	22,423
Total liabilities of Window Takaful Operations - OPF and PTF	319,770	-	-	319,770
	<u>1,723,781</u>	<u>3,182</u>	<u>-</u>	<u>1,726,963</u>

43.4 Market risk

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

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

43.4.1 Interest rate risk

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

The Company invests in securities and has deposits that are subject to interest / mark-up rate risk.

Maturity profile of financial assets and liabilities:

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

2025	Interest / Mark-up bearing			Non-interest / Non-mark-up bearing			Total
	Effective rate % per annum	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	
----- Rupees in '000 -----							
FINANCIAL ASSETS							
Investments in equity securities	-	-	-	-	-	-	-
Investments in associates	-	-	-	293,749	293,749	293,749	
Loans and other receivables	-	-	-	33,069	40,643	73,712	73,712
Insurance receivables	-	-	-	355,854	-	355,854	355,854
Reinsurance recoveries against outstanding claims	-	-	-	170,357	-	170,357	170,357
Salvage recoveries accrued	-	-	-	9,476	-	9,476	9,476
Cash	11,280	-	11,280	2,640	-	2,640	13,920
Total assets of Window Takaful	-	-	-	-	-	-	-
Operations - OPF and PTF	600	100,196	100,796	252,351	-	252,351	353,148
December 31, 2025	11,880	100,196	112,076	823,747	334,392	1,158,139	1,270,216
FINANCIAL LIABILITIES							
Outstanding claims including IBNR	-	-	-	500,876	-	500,876	500,876
Insurance payables	-	-	-	505,652	-	505,652	505,652
Other creditors and accruals	-	-	-	280,213	-	280,213	280,213
Lease liabilities	-	-	-	3,121	6,059	9,180	9,180
Total liabilities of Window Takaful	-	-	-	-	-	-	-
Operations - OPF and PTF	-	-	-	127,688	260,266	387,954	387,954
December 31, 2025	-	-	-	1,417,550	266,325	1,683,875	1,683,875
OFF BALANCE SHEET ITEMS							
Capital commitments	-	-	-	15,038	-	15,038	15,038
December 31, 2025	-	-	-	15,038	-	15,038	15,038
Interest risk sensitivity gap	11,880	100,196	112,076	(593,803)	68,067	(525,736)	(413,659)

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

2024	Interest / Mark-up bearing			Non-interest / Non-mark-up bearing			Total
	Effective rate % per annum	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	
----- Rupees in '000 -----							
FINANCIAL ASSETS							
Investments in equity securities	-	-	-	-	-	-	-
Investments in associates	-	-	-	365,220	365,220	365,220	
Loans and other receivables	-	-	-	40,007	40,643	80,650	80,650
Insurance receivables	-	-	-	470,602	-	470,602	470,602
Reinsurance recoveries against outstanding claims	-	-	-	207,465	-	207,465	207,465
Salvage recoveries accrued	-	-	-	4,075	-	4,075	4,075
Cash	3.54 - 20.50	48,464	-	48,464	5,701	-	5,701
Total assets of Window Takaful							
Operations - OPF and PTF		600	104,897	105,497	195,096	-	195,096
December 31, 2024		<u>49,064</u>	<u>104,897</u>	<u>153,961</u>	<u>922,946</u>	<u>405,863</u>	<u>1,328,809</u>
FINANCIAL LIABILITIES							
Outstanding claims including IBNR	-	-	-	490,710	-	490,710	490,710
Insurance payables	-	-	-	667,741	-	667,741	667,741
Other creditors and accruals	-	-	-	233,908	-	233,908	233,908
Lease liabilities	-	-	-	2,517	9,180	11,697	11,697
Total liabilities of Window Takaful	-	-	-	-	-	-	-
Operations - OPF and PTF	-	-	-	101,319	218,451	319,770	319,770
December 31, 2024		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,496,195</u>	<u>227,631</u>	<u>1,723,826</u>
OFF BALANCE SHEET ITEMS							
Capital commitments	-	-	-	15,038	-	15,038	15,038
December 31, 2024		<u>-</u>	<u>-</u>	<u>-</u>	<u>15,038</u>	<u>-</u>	<u>15,038</u>
Interest risk sensitivity gap		<u>49,064</u>	<u>104,897</u>	<u>153,961</u>	<u>(573,249)</u>	<u>178,232</u>	<u>(395,017)</u>

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

43.4.2 Currency risk

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

43.4.3 Other price risk

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

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

The following table summarizes the Company's other price risk as of December 31, 2025 and 2024. It shows the effects of an estimated increase of 5% in the market prices as on those dates. A decrease of 5% in the fair values of the quoted securities would affect profit and equity of the Company in a similar but opposite manner.

	Price change	Fair value	Effect on fair value
		----- Rupees in '000 -----	
December 31, 2025	5%	<u>1,103,469</u>	<u>55,173</u>
December 31, 2024	5%	<u>939,261</u>	<u>46,963</u>

43.5 Operational Risk

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

43.6 Capital management

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

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

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

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

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

44 STATEMENT OF SOLVENCY

	2025 Rupees in '000
Assets	
Property and equipment	205,506
Intangible assets	266
Investment properties	349,326
Investment in associate	293,749
Investments	1,104,950
Loans and other receivables	73,712
Insurance / reinsurance receivables	355,854
Reinsurance recoveries against outstanding claims	170,357
Salvage recoveries accrued	9,476
Deferred commission expense	24,626
Taxation - provision less payment	28,497
Deferred tax asset	52,943
Prepayments	115,173
Cash and bank	13,920
Total assets related to operator's fund from Window Takaful Operations (including Qard-e-Hasna)	183,285
Total assets related to participants's fund from Window Takaful Operations	373,244
Total Assets (A)	3,354,884
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000	
(d) Loans to employees	1,250
(h) Insurance / reinsurance receivables	98,370
(k) Cash and bank deposits	437
(i) Intangible assets	266
(j) Deferred tax assets	52,943
(s) Investments	378,688
(g) Investments	293,749
(u) - (i) Vehicles	20,627
(u) - (ii) Office equipment and computers	6,191
(u) - (iii) Furniture and fixtures	4,343
(k) Guarantees under bond insurance	2,930
Qard-e-Hasna contributed by operator's fund	99,903
Total of In-admissible assets (B)	959,697
Total Admissible Assets (C=A-B)	2,395,187

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

Total Liabilities

	2025 Rupees in '000
Underwriting provisions	500,876
Outstanding claims including IBNR	271,436
Unearned premium reserves	25,324
Unearned commission income	-
Contribution deficiency reserve	7,531
Retirement benefit obligations	5,125
Liabilities under diminishing musharka	4,055
Lease liabilities	505,652
Insurance / reinsurance payables	280,213
Other creditors and accruals	-
Unclaimed dividend	88,380
Total liabilities related of operator's fund	373,244
Total liabilities and funds of participant's fund	2,061,836
Total Liabilities (D)	
Total Net Admissible Assets (E=C-D)	333,351

Minimum Solvency Requirement (higher of following)

Method A - U/s 36(3)(a)	150,000	
Method B - U/s 36(3)(b)	104,096	
Method C - U/s 36(3)(c)	140,467	150,000
Excess in Net Admissible Assets over Minimum Requirements		183,351

44.1 The law is silent with regard to the inadmissibility of the "Prepaid reinsurance premium ceded" and "Deferred commission expense" in Section 32(2) of the Insurance Ordinance, 2000 and, hence, these have been treated as admissible assets for the purpose of this statement.

44.2 Regulation 6(2) of General Takaful Accounting Regulations, 2019 ("Takaful Regulations 2019") assets and liabilities of window takaful operation included in computation of solvency requirements.

45 PROVIDENT FUND

The Company operates an approved contributory provident fund (the fund) for its permanent employees. Details of net assets and investments as per 2025 (2024: audited) financial statements of the fund are as follows:

	Unaudited 2025	Audited 2024
	----- Rupees in '000 -----	
Size of the fund	134,295	129,899
Cost of investments made	91,934	79,727
Fair value of investments	129,058	128,875
Investment - (%)	96.1%	99.2%

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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

Break-up of investments

Mutual Funds	128,875
Bank balance	1,025

46 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	2025		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Available for sale investments (measured at fair value)			
Equity securities	1,036,420	1,483	-
Mutual fund units	-	67,049	-
Investment property	-	349,326	-
	1,036,420	417,858	-

NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

	2024		
	Fair Value Measurement		
	Level 1	Level 2	Level 3
	----- Rupees in '000 -----		
Available for sale investments (measured at fair value)			
Equity securities	876,817	1,483	-
Mutual fund units	-	62,444	-
Investment property	-	346,939	-
	876,817	410,866	-

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

47 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary for the purpose of better presentation and comparison.

48 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on March 25, 2026 by the Board of directors of the Company.

49 GENERAL

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

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **PREMIER INSURANCE LIMITED - WINDOW TAKFUL OPERATIONS**, (the Operator), which comprise the statement of financial position as at December 31, 2025 and the profit and loss account, the statement of comprehensive income, the statement of changes in Operator's and Participants' takaful funds, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and, to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in Operator's and Participants' takaful funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Operator's affairs as at December 31, 2025 and of the loss, its comprehensive loss, the changes in Operator's fund and Participants' takaful fund 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 Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Operator in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

We draw attention to Note 35 to the financial statements, which indicates that the Company has complied with the minimum solvency requirement prescribed by the Securities and Exchange Commission of Pakistan; however, the available solvency margin exceeds the required solvency margin by a limited amount, which may indicate sensitivity to adverse future developments. Our opinion is not modified in respect of this matter



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 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.

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);



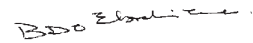
- b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in Operator's fund and Participants' takaful funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance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

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

KARACHI

DATED: March 31 2026

UDIN: AR202510110dbPc98RM6



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

MUFTI UBAID UR RAHMAN ZUBAIRI

Graduate from Jamia Darul Uloom Karachi, Pakistan
Shariah Advisor-PREMIER Window Takaful Operations

مفتی عبید الرحمن زبیری

فاضل جامعہ دارالعلوم کراچی

شرعی مشیر، پریمیر ونڈو تکافل آپریشنز

Annual Shariah Review Report 2025 for Premier Insurance Limited Window Takaful Operations

For the year ended 31st December 2025

In my capacity as Shariah Advisor of PIL-WTO, I have carried out a Shariah review for the year ended 31st December 2025. This review included examination of the financial statements, relevant policies, operational procedures, agreements, and other related documents. Based on the information, explanations, and records provided to me, I report as follows:

Takaful Policies:

The Takaful policies issued during the year were found to be in accordance with approved Shariah principles and structures.

Review of Documents:

All relevant documents, agreements, and operational records were reviewed, and no material Shariah non-compliance was observed.

Investments:

The investments of the Participants' Takaful Fund (PTF) were reviewed and found to be in compliance with Shariah principles and applicable regulatory requirements.

Retakaful Arrangements:

The Retakaful arrangements entered into during the year were reviewed and found satisfactory from a Shariah perspective.

Segregation of Funds:

Proper segregation between the Participants' Takaful Fund (PTF) and the Operator's Fund (OPF) has been maintained. Additionally, Takaful operations remain clearly segregated from the conventional insurance business, in line with Shariah requirements and the Takaful Rules, 2012.

Qard-e-Hasan Arrangement:

The Qard-e-Hasan mechanism was reviewed and found to be structured and implemented in accordance with the Takaful Rules, 2012.

Banking Arrangements:

All Takaful-related bank accounts are maintained with Islamic banks and are properly segregated.

MUFTI UBAID UR RAHMAN ZUBAIRI

Graduate from Jamia Darul Uloom Karachi, Pakistan
Shariah Advisor-PREMIER Window Takaful Operations

مفتی عبید الرحمن زبیری

فاضل جامعہ دارالعلوم کراچی

شرعی مشیر، پریمیر ونڈو تکافل آپریشنز

Training and Awareness:

Training sessions were conducted for relevant sales staff during the year to enhance awareness and understanding of Takaful principles and Shariah requirements.

Conclusion and Recommendations:

In conclusion, I am satisfied that the operations of PIL-WTO for the year ended 31st December 2025 have, in all material respects, been conducted in compliance with Shariah principles, approved frameworks, and applicable regulatory requirements.

I appreciate the efforts and cooperation of the Board of Directors, Management, Head of Window Takaful Operations, and all relevant departments in ensuring adherence to Shariah compliance requirements.

Recommendations:

In line with the requirements of Shariah Governance Regulations, 2023 (SGR 2023), it is recommended to further strengthen the internal Shariah control environment.

The Company should ensure effective implementation and formal designation of an Internal Shariah Audit function during the year to enhance ongoing Shariah compliance monitoring.

The Board and Management are also encouraged to continue expanding and promoting the Takaful business, considering its growing regulatory importance and direction from the Securities and Exchange Commission of Pakistan (SECP)

Closing Note:

May Allah Almighty grant success, barakah, and continued growth to Premier Insurance Limited - Window Takaful Operations and guide all stakeholders in maintaining the highest standards of Shariah compliance.



Mufti Ubaid ur Rahman Zubairi
Shariah Advisor
Premier Insurance Limited-Window Takaful Operations
March 27, 2026

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	Note	Operator's Fund		Participant's Takaful Fund	
		2025	2024	2025	2024
----- Rupees in '000 -----					
ASSETS					
Investments					
Mutual funds	6	-	-	12,093	10,515
Term deposits	7	-	-	600	600
Qard-e-hasna contributed to PTF	8	99,903	99,903	-	-
Other receivables	9	804	450	85,128	52,241
Receivable from PTF	10	54,618	44,848	-	-
Takaful / retakaful receivables	11	-	-	111,491	85,172
Retakaful recoveries against outstanding claims	19	-	-	5,956	8,867
Salvage recoveries accrued		-	-	461	7,110
Deferred wakala expense	22	-	-	57,064	40,127
Deferred commission expense	23	17,340	10,384	-	-
Prepayments	12	-	-	22,067	16,652
Cash and bank	13	10,742	11,532	78,384	84,974
TOTAL ASSETS		183,407	167,117	373,244	306,258
FUNDS AND LIABILITIES					
Funds attributable to:					
Operator's Fund (OPF)					
Statutory fund		50,000	50,000	-	-
Accumulated losses		(184,491)	(141,883)	-	-
Total Operator's Fund		(134,491)	(91,883)	-	-
Participant's Takaful Fund (PTF)					
Ceded money		-	-	500	500
Unrealized gain on available for sale investments		-	-	1,892	1,326
Accumulated deficit		-	-	(78,069)	(60,234)
Balance of Participant's Takaful Fund		-	-	(75,677)	(58,408)
Qard-e-Hasna				99,903	99,903
LIABILITIES					
PTF Underwriting provisions					
Outstanding claims including IBNR	19	-	-	74,589	65,211
Unearned contribution reserve	17	-	-	163,039	114,619
Contribution deficiency reserve		-	-	-	985
Reserve for Unearned retakaful rebate	18	-	-	4,116	3,413
		-	-	241,744	184,228
Unearned wakala fees	22	57,064	40,127	-	-
Takaful / retakaful payables		-	-	30,799	25,902
Payable to OPF	14	-	-	54,618	44,848
Other creditors and accruals	15	260,834	218,873	21,857	9,785
		317,898	259,000	107,274	80,535
TOTAL LIABILITIES		317,898	259,000	349,018	264,763
TOTAL FUND AND LIABILITIES		183,407	167,117	373,244	306,258
CONTINGENCIES AND COMMITMENTS	16				

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

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

For the year ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
Participants' Takaful Fund - (PTF) Revenue account			
Contribution earned - net of wakala fee	17	188,489	136,148
Less: Contribution ceded to retakaful	17	(43,746)	(32,083)
Net contribution revenue	17	144,743	104,065
Re-takaful rebate earned	18	9,037	5,922
Net underwriting income		153,780	109,987
Net claims - reported / settled / IBNR	19	(165,454)	(115,073)
Reversal of contribution deficiency reserve		985	531
Other direct expenses	20	(12,258)	(7,687)
Deficit before investment income		(22,947)	(12,242)
Investment income	25	1,629	1,681
Other income	26	6,226	10,699
Less: Modarib's share of investment income	21	(2,749)	(4,335)
Deficit for the year		(17,841)	(4,197)
Operator's Fund - (OPF) Revenue account			
Wakala fee	22	101,512	70,904
Commission expense	23	(25,406)	(16,408)
General, administrative and management expenses	24	(112,380)	(78,175)
		(36,274)	(23,679)
Modarib's share of PTF investment income	21	2,749	4,335
Profit on bank accounts		153	179
Other expenses	28	(5,007)	(4,007)
Loss before income tax and levy		(38,379)	(23,172)
Levy	29	(4,230)	(2,920)
Loss before income tax		(42,609)	(26,092)
Taxation	30	-	-
Loss after income tax		(42,609)	(26,092)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2025

	2025	2024
	----- Rupees in '000 -----	
Participants' Takaful Fund		
Deficit for the year	(17,841)	(4,197)
Other comprehensive income for the year		
Items that maybe reclassified subsequently to profit and loss account		
Unrealized gain on available for sale investments	566	940
Total comprehensive (loss) for the year	(17,275)	(3,257)
Operator's Fund		
Loss for the year	(42,609)	(26,092)
Other comprehensive income	-	-
Total comprehensive loss for the year	(42,609)	(26,092)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

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

For the year ended December 31, 2025

	Operator's Fund Revenue reserve		
	Statutory fund	Accumulated losses	Total
	----- Rupees in '000 -----		
Balance as at January 01, 2024	50,000	(115,790)	(65,790)
Total comprehensive income for the year			
Loss for the year	-	(26,092)	(26,092)
Other comprehensive income	-	-	-
Balance as at December 31, 2024	50,000	(141,882)	(91,882)
Total comprehensive income for the year			
Loss for the year	-	(42,609)	(42,609)
Other comprehensive income	-	-	-
Balance as at December 31, 2025	50,000	(184,491)	(134,491)

	Participant's Takaful Fund			
	Ceded Money	Unrealised gain on available for sale Investments	Accumulated deficit	Total
	----- Rupees in '000 -----			
Balance as at January 01, 2024	500	387	(56,035)	(55,149)
Total comprehensive income for the year				
Deficit for the year	-	-	(4,197)	(4,197)
Other comprehensive income	-	940	-	940
		940	(4,197)	(3,257)
Balance as at December 31, 2024	500	1,327	(60,232)	(58,408)
Total comprehensive income for the year				
Deficit for the year	-	-	(17,841)	(17,841)
Other comprehensive income	-	566	-	566
	-	566	(17,841)	(17,275)
Balance as at December 31, 2025	500	1,893	(78,073)	(75,677)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Operator's Fund		Participant's Takaful Fund	
	2025	2024	2025	2024
	----- Rupees in '000 -----			
Operating activities				
a) Takaful activities				
Contribution received	-	-	235,395	161,202
Re-takaful contributions paid	-	-	(40,869)	(37,943)
Claims / benefit paid	-	-	(156,217)	(112,862)
Re-takaful and other recoveries received	-	-	3,052	14,434
Commissions (paid) / re-takaful rebate received	(28,863)	(15,231)	9,740	6,851
Wakala fees received	108,679	51,501	-	-
Wakala fees paid	-	-	(108,679)	(51,501)
Modarib share received / (paid)	2,749	4,335	(2,749)	(4,335)
Net cash inflows / (outflows) from takaful activities	82,565	40,605	(60,327)	(24,154)
b) Other operating activities				
General and administration expenses paid	(122,323)	(85,397)	13,475	(8,150)
Amounts due from other takaful / retakaful operators	-	-	26,319	26,730
Deposits and other receivables	353	152	33,272	11,643
Received from Premier Insurance Limited	33,617	56,804	-	-
Accrued salvage recoveries	-	-	(6,647)	6,750
Other liabilities settled	4,845	3,559	(12,072)	(6,000)
Net cash (outflows) / inflows from operating activities	(83,508)	(24,882)	54,347	30,973
Total cash (outflows) / inflows from all operating activities	(943)	15,723	(5,980)	6,819
Investment activities				
Accrued investment income	-	-	(385)	(362)
Bank profit received	153	179	6,226	10,699
Sale of investment - net	-	-	(6,451)	(4,532)
Total cash inflows / (outflows) from investing activities	153	179	(610)	5,805
Financing activities				
Qard-e-hasna contributions	-	(6,000)	-	6,000
Net cash (outflows) / inflows from all activities	(790)	9,902	(6,590)	18,624
Cash and cash equivalents at beginning of the year	11,532	1,630	84,974	66,350
Cash and cash equivalents at end of the year	10,742	11,532	78,384	84,974

13

PREMIER INSURANCE LIMITED - WINDOW TAKAFUL OPERATIONS STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Note	Operator's Fund		Participant's Takaful Fund	
		2025	2024	2025	2024
----- Rupees in '000 -----					
Reconciliation to profit and loss account					
Operating cash flows		(790)	15,902	(6,590)	12,624
Investment income		-	-	1,629	1,681
Increase in assets other than cash		17,078	31,877	73,578	53,116
(Decrease) in liabilities		(58,897)	(73,871)	(86,457)	(71,621)
(Loss) for the year		(42,609)	(26,092)	(17,841)	(4,197)
Attributed to:					
Operator's Fund		(42,609)	(26,092)	-	-
Participants' Takaful Fund		-	-	(17,841)	(4,197)
		(42,609)	(26,092)	(17,841)	(4,197)
Cash comprises cash in hand, stamps in hand, current and saving accounts and short-term deposits having maturity of less than three months.					
Cash for the purpose of the statement of cash flows consists of:					
Cash and other equivalent					
Policy, revenue stamps and bond papers		-	-	-	-
Current and other accounts					
Current and savings accounts		10,742	11,532	78,384	84,974
Total cash and cash equivalent	13	10,742	11,532	78,384	84,974

The annexed notes from 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

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

For the year ended December 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Premier Insurance Limited (the Operator) has been authorized to undertake Window Takaful Operations (WTO) on October 02, 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The operator of the Company is listed on the Pakistan Stock Exchange Limited (PSX).

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

1.2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

Head office - Registered Office

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

Branches

i) Province of Punjab, Pakistan:

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

ii) Province of Sindh, Pakistan:

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

iii) Province of Khyber Pakhtunkhwa, Pakistan:

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

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

For the year ended December 31, 2025

iv) Islamabad Capital Territory

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

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 and SECP Takaful Rules, 2012 and the General Takaful Accounting Regulations, 2019.

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

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

2.2 Basis of measurement

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

2.3 Functional and Presentation Currency

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

2.4 Temporary exemption from IFRS 17

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I) / 2023 dated 21 November 2023, SRO 506/(1)/2024 dated March 29, 2024 and SRO 1336(1)/2025 dated 23rd July, 2025 the IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance / takaful and re-insurance / re-takaful business from financial years commencing on or after January 01, 2027.

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

For the year ended December 31, 2025

IFRS 17, replaces IFRS 4 “Insurance Contracts”. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. This standard requires entities to identify contracts and its terms and to assess whether they meet the definition of an insurance contract or includes components of an insurance contract. Insurance contracts are required to account for under the recognition / derecognition of IFRS 17. Companies subject to the requirement of SRO 1715 will also be required to adopt requirements of IFRS 9 from the date of transition. On initial application of IFRS 17, comparative information for insurance contracts is restated in accordance with IFRS 17, whereas comparative information for related financial assets might not be restated in accordance with IFRS 9 if the insurer is initially applying IFRS 9 at the same date as IFRS 17.

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated June 15, 2021 initiated a four-phase approach towards implementation of IFRS 17 “Insurance Contracts” has been completed.

2.5 IFRS 9 - Financial Instruments

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

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

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

b) all other financial assets:

Fair value of financial assets as at December 31, 2025 and change in fair value during the year.

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

For the year ended December 31, 2025

<u>Operator's Fund</u>	2025				
	Fail the SPPI Test		Pass the SPPI Test		
	Fair value	Change in unrealized gain or (loss) during the year	Carrying Value	Cost less impairment	Change in unrealized gain or (loss) during the year
	----- (Rupees) -----				
Financial assets	-	-	-	-	-
Cash and bank	-	-	10,742	-	-
TOTAL	-	-	10,742	-	-

<u>Participant's Takaful Fund</u>	2025				
	Fail the SPPI Test		Pass the SPPI Test		
	Fair value	Change in unrealized gain or (loss) during the year	Carrying Value	Cost less impairment	Change in unrealized gain or (loss) during the year
	----- (Rupees) -----				
Financial assets					
Investments					
- Mutual funds - available for sale	9,733	2,361	-	-	-
- Term Deposits	-	-	600	-	-
other receivables*	-	-	401	-	-
Cash and bank	1,002	-	77,361	-	-
TOTAL	10,735	2,361	78,362	-	-

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

Carrying value of all other financial assets approximates to their fair values since these either have short term maturity or are frequently repriced.

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

For the year ended December 31, 2025

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

3.1 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.

Effective date (annual periods beginning on or after)

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchange ability	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.

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

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

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
--	------------------

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

For the year ended December 31, 2025

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 'Presentation and Disclosures in Financial Statements'	January 01, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	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 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 revised 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 and loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. Fair value measurement of Financial Instruments as at December 31, 2025, is presented in note 39 of the financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Takaful Contracts

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

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

For the year ended December 31, 2025

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

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

Fire and property damage

Fire and property takaful contracts mainly compensate the participants for damage suffered to their properties or for the value of property lost. Participants who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the covered properties in their business activities. These contracts are generally one year contracts except some contracts that are of three months period.

Marine, aviation and transport

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

Motor

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

Accident and health

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

Miscellaneous

All other various types of takaful contracts are classified in miscellaneous category which includes mainly engineering, terrorism, personal accident, workmen compensation, travel and products of financial institutions etc. These contracts are normally one year takaful contracts except some engineering takaful contracts that are of more than one year period, whereas normal travel takaful contracts expires within one month.

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

For the year ended December 31, 2025

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

4.2 Investments

4.2.1 Classification and recognition

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

4.2.2 Measurement

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

4.2.3 Available-for-sale

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

Quoted

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

4.2.4 Held-to-maturity

Investments with fixed maturity, where the operator has both the intent and the ability to hold to maturity, are classified as held-to-maturity. Subsequently, these are measured at amortized cost. Premium paid or discount availed on the acquisition of held-to-maturity investment is deferred and amortized over the term of investment using the effective yield method.

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

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

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

For the year ended December 31, 2025

4.3 Financial Instruments

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

4.4 Deferred commission expense /acquisition cost

Commission expense incurred in obtaining and recording policies is deferred and recognised as an expense in accordance with the pattern of recognition of contribution revenue by applying 1/24 method.

4.5 Reserve for unearned contribution

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

4.6 Contribution deficiency reserve

At each reporting date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned contribution liability for that class. It is performed by comparing the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, wakala and other underwriting expenses, expected to be incurred after financial statement date in respect of policies in force at financial statements date with the carrying amount of unearned contribution liability. Any deficiency is recognised by establishing a provision (contribution deficiency reserve) to meet the deficit.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies and expectations of future events that are believed to be reasonable.

The movement in the contribution deficiency reserve is recognised as an expense or income in the profit and loss account for the year.

The expected ultimate net claim ratios for the unexpired periods of policies in force at financial statements date for each class of business is as follows:

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

For the year ended December 31, 2025

	2025	2024
	-----%-----	
Fire and property damage	0%	-33%
Marine, aviation and transport	11%	-28%
Motor	-50%	-37%
Accident and Health	-85%	-94%
Miscellaneous	-8%	-11%

4.7 Retakaful contracts held

These are contracts entered into by the Operator with re-takaful operator under which the Operator arranges to cede takaful risks of PTF assumed during normal course of the business and according to which the PTF is compensated for losses on takaful contracts issued by the Operator are classified as retakaful contracts held.

Retakaful contribution is recognised as an expense when the retakaful is ceded. Commission on retakaful cessions are recognised in accordance with the policy of recognizing contribution revenue.

Retakaful assets represent balances due from retakaful operators and retakaful recoveries against outstanding claims. Retakaful recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the retakaful contracts. Retakaful liabilities represent balances due to retakaful operators, are primarily contributions payable for retakaful contracts, and are recognised at the same time when retakaful contributions are recognised as an expense.

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

An impairment review of retakaful assets is performed at each reporting date. If there is an objective evidence that the asset is impaired, the Operator reduces the carrying amount of the retakaful asset to its recoverable amount and recognises that impairment loss in the profit and loss account.

4.8 Receivables and payables related to takaful contracts

Receivables including contribution due but unpaid relating to takaful contracts are recognized when due. The claim payable is recorded when intimation is received. These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any. Contribution received in advance is recognised as liability till the time of issuance of takaful contract there against. If there is an objective evidence that any contribution due but unpaid is impaired, the Operations reduces the carrying amount of that contribution receivable and recognizes the loss in profit and loss account.

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

For the year ended December 31, 2025

4.9 Takaful / Re-takaful receivables

Receivables under takaful contracts are recognized when due, at the fair value of the consideration receivable less provision for doubtful debts, if any. If there is objective evidence that the receivable is impaired, the Operator reduces the carrying amount of the receivable accordingly and recognizes that impairment loss in the profit and loss account.

4.10 Re-takaful recoveries against outstanding claims

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

4.11 Cash and cash equivalents

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

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

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

Outstanding claims

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

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

Incurred But Not Reported (IBNR) Claims

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

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

For the year ended December 31, 2025

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

4.13 Other creditors and accruals

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

4.14 Offsetting of financial assets and liabilities

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

4.15 Contingencies

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

4.16 Revenue recognition

a) Contribution / underwriting result

For all the takaful contracts, contributions / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognised as written from the date of attachment of the risk to the policy / cover note and over the period of contract from inception to the expiry of policy.

Where contributions for a policy are payable in installments, full contribution for the duration of the policy is recognised as written at the inception of the policy and related assets set up for contributions receivable at a later date. Contributions are stated on gross basis and exclusive of taxes and duties levied on contributions. The earned contribution less retakaful rebate, claims, direct expenses and wakala fee are reflected in the profit or loss account as the underwriting result.

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

For the year ended December 31, 2025

b) Wakala fee

The Operator manages the general takaful operations for the Participants and charges Wakala fee at 35% (2024 : 35%) of the gross contribution on all classes of business. Wakala fee under a policy is recognized on the same basis on which related revenue is recognized. Unexpired portion of Wakala fee is recognized as a liability of OPF and an asset of PTF.

c) Retakaful rebate

Rebate from re-takaful operators is deferred and recognized as revenue of PTF in accordance with the pattern of recognition of the re-takaful contributions to which it relates.

d) Profit on Islamic investment products

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

e) Dividend income

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

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

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

4.17 Taxation- Income tax and levy

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

Levy

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.

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

For the year ended December 31, 2025

Current tax

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

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

Deferred tax

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

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

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

4.18 Takaful surplus

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

4.19 Impairment of assets

The carrying amount of assets are reviewed at each reporting date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost to sell and value in use. Impairment losses are recognised in profit and loss account.

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

For the year ended December 31, 2025

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

4.20 Management expenses

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

4.21 Qard-e-hasna

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

4.22 Modarib fee

The Operator also manages the participants' investment as modarib and charges 35.00% (2024: 35.00%) of investment income and bank deposits earned by the PTF as Modarib fee.

4.23 Segment reporting

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

The Operator presents segments reporting of operating results using the classes of business as specified under the General Takaful Accounting Regulations, 2019. The reported operating segments are also consistent with the internal reporting process of the Company for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment. All the Company's business segments operate in Pakistan only.

Based on its classification of takaful contracts issued, the Operator has five primary business segments for reporting purposes namely fire, marine, motor, accident and health and miscellaneous. The nature and business activities of these segments are disclosed in note 33.

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

For the year ended December 31, 2025

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

5.1. ESTIMATES AND JUDGEMENTS

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

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

- a) classification of investments (note 4.2);
- b) reserve for unearned contribution (note 4.5);
- c) takaful / re-takaful receivables (note 4.9);
- d) provision for contribution due but unpaid and amount due from other takaful / re-takaful operators; (note 4.8)
- e) provision for outstanding claims including IBNR and re-takaful recoveries there against (note 4.10);
- f) taxation (note 4.17);
- g) impairment of assets (note 4.19);

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

For the year ended December 31, 2025

6. INVESTMENTS IN MUTUAL FUNDS - PTF

	2025			2024		
	Cost	Impairment / provision for the year	Carrying value	Cost	Impairment / provision for the year	Carrying value
----- Rupees in '000 -----						
Available for sale						
Mutual fund units	9,733	-	12,093	8,720	-	10,515
	<u>9,733</u>	<u>-</u>	<u>12,093</u>	<u>8,720</u>	<u>-</u>	<u>10,515</u>

7. INVESTMENTS IN TERM DEPOSITS - PTF

		2025			2024		
		Cost	Impairment / provision for the year	Carrying value	Cost	Impairment / provision for the year	Carrying value
Note ----- Rupees in '000 -----							
Held to maturity							
Term deposit receipt	7.1	600	-	600	600	-	600
		<u>600</u>	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>

7.1 This represents a term deposit placed within Meezan Bank Limited carrying profit at the average rate of 9.61% per annum (2024: 11.93%) maturing on Mar 03, 2026.

8. QARD-E-HASNA CONTRIBUTED TO PTF

	2025	2024
	----- Rupees in '000 -----	
As at January 01, 2025	99,903	93,903
Qard-e-Hasna contributed during the year	-	6,000
As at December 31, 2025	<u>99,903</u>	<u>99,903</u>

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

For the year ended December 31, 2025

9. OTHER RECEIVABLES Unsecured and considered good

	Operator's Fund		Participant's Takaful Fund	
	2025	2024	2025	2024
	----- Rupees in '000 -----			
Profit receivable	7	6	401	786
Federal excise duty	555	444	6,354	5,173
Federal takaful fee	-	-	99	99
Others	242	-	78,274	46,183
	<u>804</u>	<u>450</u>	<u>85,128</u>	<u>52,241</u>

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

10. RECEIVABLE FROM PTF

	Operator's Fund		Participant's Takaful Fund	
	2025	2024	2025	2024
	----- Rupees in '000 -----			
Wakala fee receivable	54,496	44,848	-	-
Modarib fee receivable	122	-	-	-
	<u>54,618</u>	<u>44,848</u>	<u>-</u>	<u>-</u>

11. TAKAFUL / RETAKAFUL RECEIVABLES - Unsecured and considered good

	Note	2025	2024
		----- Rupees in '000 -----	
Due from takaful participants holders		81,025	61,746
Less: Provision for impairment of receivables from takaful participants' holders		(5,714)	(5,714)
		<u>75,311</u>	<u>56,032</u>
Amounts due from other takaful / retakaful operators	11.1	36,180	29,140
		<u>111,491</u>	<u>85,172</u>

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

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

For the year ended December 31, 2025

	Participant's Takaful Fund	
	2025	2024
	----- Rupees in '000 -----	
12. PREPAYMENTS		
Prepaid retakaful contribution ceded	17,663	15,643
Other prepaid expense	4,404	1,009
	<u>22,067</u>	<u>16,652</u>

13. CASH AND BANK BALANCES

	Note	Operator's Fund		Participant's Takaful Fund	
		2025	2024	2025	2024
		----- Rupees in '000 -----			
Cash and cash equivalent					
Policy, revenue stamps and bond papers		-	-	21	63
Cash at bank					
Current accounts		-	-	1,002	2,061
Profit and loss sharing accounts	13.1	10,742	11,532	77,361	82,850
		<u>10,742</u>	<u>11,532</u>	<u>78,384</u>	<u>84,974</u>

13.1 The rate of return on profit and loss sharing accounts held with Islamic banks during the year range from 3.36% to 8.59% per annum (2024: 5.01% to 17.38%).

	Participant's Takaful Fund	
	2025	2024
	----- Rupees in '000 -----	
14. PAYABLE TO OPERATOR'S FUND		
Wakala fee payable	54,496	44,848
Modarib fee payable	122	-
	<u>54,618</u>	<u>44,848</u>

15. OTHER CREDITORS AND ACCRUALS

	Note	Operator's Fund		Participant's Takaful Fund	
		2025	2024	2025	2024
		----- Rupees in '000 -----			
Due to Premier Insurance Limited	15.1	229,976	196,359	-	-
Sales tax on services		-	-	4,485	2,647
Commission payable		22,576	19,077	-	-
Auditor's fee		570	422	-	-
Others		7,712	3,015	17,372	7,138
		<u>260,834</u>	<u>218,873</u>	<u>21,857</u>	<u>9,785</u>

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

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

For the year ended December 31, 2025

16. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at reporting date December 31, 2025 (2024: Nil).

17. NET CONTRIBUTION-PTF

	2025	2024
	----- Rupees in '000 -----	
Written gross contribution	338,421	233,620
Less: Wakala fee	(101,512)	(70,904)
Contribution net of Wakala fee	236,909	162,716
Add: Unearned contribution reserve opening	114,619	88,051
Less: Unearned contribution reserve closing	(163,039)	(114,619)
Contribution earned	188,489	136,148
Less: Retakaful contribution ceded	45,766	34,864
Add: Prepaid retakaful contribution opening	15,643	12,862
Less: Prepaid retakaful contribution closing	(17,663)	(15,643)
Retakaful expense	43,746	32,083
Net contribution	144,743	104,065

18. RETAKAFUL REBATE - PTF

	2025	2024
	----- Rupees in '000 -----	
Rebate from re-takaful received	9,740	6,851
Add: Deferred rebate opening	3,413	2,484
Less: Deferred rebate closing	(4,116)	(3,413)
Retakaful rebate earned	9,037	5,922

19. NET CLAIMS EXPENSE - PTF

Claims paid or payable	156,217	112,862
Less: Outstanding claims including IBNR opening	(65,211)	(54,901)
Add: Outstanding claims including IBNR closing	74,589	65,211
Claims expense	165,595	123,172
Less: Retakaful and other recoveries received	3,052	14,434
Less: Retakaful recoveries against outstanding claims - opening	(8,867)	(15,202)
Add: Retakaful recoveries against outstanding claims - closing	5,956	8,867
Retakaful and other recoveries revenue	141	8,099
Net claims expense	165,454	115,073

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

For the year ended December 31, 2025

19.1 Claim Development

The Operator maintains adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are normally resolved within one year.

The following table shows the development of the claims over a period of time. All amounts are presented in gross numbers before reinsurance.

Accident Year	CLAIMS DEVELOPMENT TABLE (PKR)										Total
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
	----- (Rupees in '000) -----										
Estimate of ultimate claims cost:											
At end of accident year	70,403	94,439	84,202	77,427	68,306	99,559	132,094	119,319	143,963	174,653	
One year later	74,900	92,291	87,485	85,070	56,613	86,517	114,904	101,965	129,582		
Two years later	75,196	87,982	84,959	83,938	57,157	86,918	112,762	102,198			
Three years later	72,605	87,756	84,858	84,269	56,990	86,126	113,002				
Four years later	72,550	87,431	84,190	83,937	56,649	86,120					
Five years later	72,547	87,828	84,017	83,751	56,647						
Six years Later	72,903	87,800	84,033	83,751							
Seven Years Later	72,952	87,809	84,033								
Eight years Later	72,952	87,809									
Nine years Later	72,952										
Current estimate of cumulative claims	72,952	87,809	84,033	83,751	56,647	86,120	113,002	102,198	129,582	174,653	990,747
Cumulative payments till date	(72,675)	(84,852)	(83,130)	(83,472)	(55,697)	(84,674)	(110,880)	(100,052)	(126,877)	(113,849)	(916,158)
Liability recognised in statement financial position	277	2,957	902	279	949	1,447	2,123	2,146	2,705	60,804	74,589

20. DIRECT EXPENSES - PTF

Tracking services
Service charges
Others

	2025	2024
	----- Rupees in '000 -----	
Tracking services	30	100
Service charges	11,395	6,943
Others	833	644
	12,258	7,687

21. MODARIB FEE

The operator manage the participants' investments as a Modarib and charge 35% (2024: 35%) Modarib's share of the investment income earned by PTF.

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

For the year ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
22. WAKALA FEE - OPF			
Gross wakala fee		118,449	80,204
Add: Deferred wakala expenses-opening		40,127	30,827
Less: Deferred wakala expenses-closing		(57,064)	(40,127)
Net wakala fee		<u>101,512</u>	<u>70,904</u>
<p>The Operator manages the general takaful operations for the participants and charges 35% for all class of business (2024: 35%) of the gross contribution written as wakala fee against the services.</p>			
23. COMMISSION EXPENSE - OPF			
Commission paid or payable		32,362	19,439
Add: Deferred commission opening		10,384	7,353
Less: Deferred commission closing		(17,340)	(10,384)
Commission expense		<u>25,406</u>	<u>16,408</u>
24. GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES - OPF			
Employee benefit cost		92,511	64,818
Rent, rates and taxes		2,939	1,568
Communications		745	593
Fuel and power		3,389	3,371
Travelling expenses		2,014	978
Entertainment		1,334	822
Advertisements and sales promotions		1,051	895
Repair and maintenance		2,018	1,620
Printing and stationery		957	807
Vehicle running expenses		1,583	1,189
Annual supervision fee SECP		285	254
Miscellaneous		3,554	1,260
		<u>112,380</u>	<u>78,175</u>
25. INVESTMENT INCOME - PTF			
Income from mutual funds			
Realized gain on sale of mutual fund units		-	123
Dividend income		738	144
Income from term deposits			
Return on term deposits		891	51
		<u>1,629</u>	<u>318</u>

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

For the year ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
26. OTHER INCOME - PTF			
Profit on bank deposits		6,226	11,117
Exchange gain		-	-
		<u>6,226</u>	<u>11,117</u>
27. MODARIB FEE			
The operator manage the participants' investments as a Modarib and charge 35% (2024: 35%) Modarib's share of the investment income earned by PTF.			
28. OTHER EXPENSES - OPF			
Auditors' remuneration	28.1	584	556
Fees and subscription		4,423	3,451
		<u>5,007</u>	<u>4,007</u>
28.1 Auditors remuneration			
Audit fee		302	298
Interim review		125	108
Shariah audit		158	150
		<u>584</u>	<u>556</u>
29. LEVY			
Minimum tax differential		4,230	2,920
29.1	This represents portion of minimum tax paid under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.		
30. TAXATION			
Current		-	-
30.1	The relationship between tax expense and accounting profit has not been presented in these financial statements as the income of the Operator is subject to tax under section 113 of the Income Tax Ordinance, 2001.		
31. RELATED PARTY TRANSACTIONS AND BALANCES - PTF			
Related parties comprise associated companies, entities under common control, entities with common directors, major shareholders, directors, key management personnel and funded employee retirement benefit schemes.			
Details of the balances and transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:			

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

For the year ended December 31, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
Transactions during the year			
Associated companies			
Contribution underwritten		5,850	8,518
Contribution received		3,806	7,716
Claims paid		1,349	5,101
Year end balances			
Associated companies			
Contribution receivable		6,793	3,714
Claims outstanding		434	1,314
Commission outstanding		59	59

31.1 Operator's contribution toward staff provident fund during the year is Rs.2.409 million (2024: 1.679 million).

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

For the year ended December 31, 2025

32. SEGMENT INFORMATION

32.1 Participants Takaful Fund

Segment profit and loss

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
----- Rupees in '000 -----												
Contribution receivable (inclusive of Federal Excise Duty / Sales Tax, Federal Takaful Fee and Administrative surcharge)	38,352	26,057	20,925	10,710	170,669	111,827	149,362	109,299	5,106	2,613	384,414	260,506
Less: Federal excise duty	3,682	3,022	4,270	1,142	23,661	14,014	10,576	6,167	580	281	42,769	24,626
Less: Federal takaful fee	239	202	155	92	1,420	926	1,374	1,021	36	19	3,224	2,261
Gross written contribution (inclusive of administrative surcharge)	34,431	22,832	16,501	9,477	145,588	96,887	137,411	102,111	4,490	2,313	338,422	233,619
Gross direct contribution	23,632	20,013	14,945	8,755	137,212	89,793	137,276	101,996	3,498	2,232	316,563	222,789
Facultative inward contribution	10,565	2,584	1,032	319	3,847	4,252	-	-	872	-	16,315	7,155
Administrative surcharge	235	235	524	403	4,529	2,842	135	115	121	81	5,543	3,675
Less: Wakala expense	(10,610)	(6,524)	(5,631)	(3,077)	(37,004)	(30,216)	(46,804)	(26,199)	(1,462)	(4,888)	(101,512)	(70,904)
Takaful contribution earned	30,301	19,993	16,086	8,965	105,726	88,700	133,725	85,957	4,164	3,437	290,002	207,052
Takaful contribution ceded to retakaful operators	(22,505)	(14,350)	(10,829)	(6,815)	(7,526)	(9,100)	-	-	(2,887)	(1,818)	(43,747)	(32,083)
Net takaful contribution	(2,814)	(881)	(374)	(927)	61,196	49,384	86,921	59,758	(185)	(3,269)	144,743	104,065
Rebate earned	5,588	3,386	2,587	1,597	139	512	-	-	723	427	9,037	5,922
Net underwriting income	2,774	2,505	2,213	670	61,335	49,896	86,921	59,758	538	(2,842)	153,780	109,987
Takaful claims	32	(6,660)	1,844	(2,473)	(52,929)	(32,713)	(114,218)	(80,965)	(325)	(361)	(165,596)	(123,172)
Takaful claims recovered from retakaful	390	4,466	(1,152)	1,670	758	1,877	-	-	145	86	141	8,099
Net claim	422	(2,194)	692	(803)	(52,171)	(30,836)	(114,218)	(80,965)	(180)	(275)	(165,455)	(115,073)
Contribution deficiency reserve	-	-	-	-	-	-	985	531	-	-	985	531
Other direct expense	(302)	(167)	(160)	(74)	(1,055)	(742)	(10,698)	(6,674)	(42)	(29)	(12,258)	(7,687)
(Deficit) / surplus before investment income	2,894	144	2,745	(207)	8,109	18,318	(37,010)	(27,351)	316	(3,146)	(22,948)	(12,242)
Investment income											1,629	1,681
Other Income											6,226	10,699
Less: Modarib's share of investment income											(2,749)	(4,335)
(Deficit) for the year											(17,841)	(4,197)

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

For the year ended December 31, 2025

Segment assets and liabilities

The following presents segments assets and liabilities for the year ended December 31, 2025 and December 31, 2024:

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
----- Rupees in '000 -----												
Segment assets	20,047	15,435	9,607	6,406	84,766	65,496	80,005	69,028	2,614	1,564	197,039	157,928
Unallocated corporate assets											176,205	148,330
Total assets											373,244	306,258
Segment liabilities	27,729	20,440	13,289	8,484	117,247	86,736	110,662	91,413	3,616	2,071	272,543	209,144
Unallocated corporate liabilities											76,475	55,618
Total liabilities											349,018	264,762

32.2 Operators Fund

Segment profit and loss

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
----- Rupees in '000 -----												
Wakala fee earned	10,610	6,524	5,631	3,077	37,004	30,216	46,804	26,199	1,462	4,888	101,512	70,904
Commission expense	(4,764)	(2,313)	(2,141)	(558)	(12,442)	(10,102)	(5,744)	(3,157)	(314)	(279)	(25,406)	(16,408)
Management expense	(11,742)	(7,549)	(6,234)	(3,385)	(40,970)	(33,490)	(51,820)	(32,454)	(1,614)	(1,298)	(112,380)	(78,175)
	(5,897)	(3,338)	(2,743)	(866)	(16,408)	(13,376)	(10,760)	(9,412)	(465)	3,312	(36,274)	(23,679)
Modarib's share of PTF investment income											2,749	4,335
Investment income											-	-
Profit on bank deposits											153	179
Other expenses											(5,007)	(4,007)
Loss before taxation											(38,379)	(23,172)

Segment assets and liabilities

The following presents segments assets and liabilities for the year ended December 31, 2025 and December 31, 2024:

	Fire and property damage		Marine, aviation and transport		Motor		Health		Miscellaneous		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
----- Rupees in '000 -----												
Segment assets	1,764	1,015	845	421	7,460	4,306	7,041	4,539	230	103	17,341	10,385
Unallocated corporate assets											166,066	156,732
Total assets											183,407	167,117
Segment liabilities	5,806	3,922	2,782	1,628	24,549	16,641	23,170	17,539	757	397	57,064	40,127
Unallocated corporate liabilities											260,834	218,873
Total liabilities											317,898	259,000

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

For the year ended December 31, 2025

33. MOVEMENT IN INVESTMENTS

	PTF		Total
	Available for sale	Held to maturity	
	----- Rupees in '000 -----		
As at January 01, 2024	8,220	600	8,820
Addition	7,947	2,400	10,347
Disposal (sale and redemption)	(6,592)	(2,400)	(8,992)
Designated at available for sale upon initial recognition	940	-	940
As at December 31, 2024	10,515	600	11,115
As at January 01, 2025	10,515	600	11,115
Addition	8,631	2,400	11,031
Disposal (sale and redemption)	(7,619)	(2,400)	(10,019)
Designated at available for sale upon initial recognition	566	-	566
As at December 31, 2025	12,093	600	12,693

34. MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

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

34.1 Takaful Risk

The principal risk that is faced under takaful contracts is the possibility that the covered event occurs, the uncertainty of the amount of the resulting claims i.e. the frequency and severity of claims and that the actual claims and benefit payments exceed the carrying amount of the takaful liabilities. By the very nature of the takaful contract, this risk is random and therefore unpredictable. The objective of the Operator is to ensure that sufficient reserves are available to cover these liabilities.

The Operator manages these risks through its underwriting strategy, adequate re-takaful arrangements and proactive claims handling. The underwriting strategy aims to minimize takaful risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits.

The Operator underwrites mainly property, motor, marine cargo and transportation and other miscellaneous business. These classes of takaful are generally regarded as short term takaful contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate takaful risk.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Operator has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. For large risks, particularly in property segment of business, risk inspections are carried out before accepting the risks. Similarly, in case of large risks, annual renewals are also preceded by on-site surveys. Where needed, risk mitigation measures are identified and communicated to the clients to improve the risk to an acceptable level.

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

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

For the year ended December 31, 2025

The Operator's arrangement of re-takaful is diversified such that it is neither dependent on a single re-takaful operator nor the operations of the Operator are substantially dependent upon any single re-takaful contract. The Operator obtains re-takaful cover only from companies with sound financial health.

a) Frequency and severity of claims

The frequency and severity of claims can be affected by several factors like political violence, environmental and economical, atmospheric disturbances, natural disasters, concentration of risks, civil riots etc. The Operator manages these risk through the measures described above. The Operator has limited its exposure to catastrophic and riot events by use of re-takaful arrangements.

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighbouring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk.

The Operator evaluates the concentration of exposures to individual and cumulative takaful risks and establishes its re-takaful policy to reduce such exposures to levels acceptable to the Operator.

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

Class	2025	2024
	----- Rupees in '000 -----	
Fire and property damage	2,629,361	742,809
Marine, aviation and transport	4,800,000	682,486
Motor	50,000	46,800
Health	3,000	1,949
Miscellaneous	28,000	22,000

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

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

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

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

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

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

For the year ended December 31, 2025

c) Process used to decide on assumptions

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

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

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Operator, in which case information about the claim event is available. IBNR provisions are initially estimated at a gross level and a separate calculation is carried out to estimate the size of re-takaful recoveries. The estimation process takes into account the past claims reporting pattern and details of reinsurance programs.

The details of estimation of outstanding claims (including IBNR) are given under note 4.12.

d) Sensitivity analysis

The Operator believes that the claim liabilities under takaful contracts outstanding at the period end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The impact on the PTF surplus of the changes in the claim liabilities net of retakaful is analyzed below. The sensitivity to changes in claim liabilities net of retakaful is determined separately for each class of business while keeping all other assumptions constant.

	PTF			
	2025		2024	
	Revenue	Equity	Revenue	Equity
----- Rupees in '000 -----				
Impact of change in claim liabilities by + 10%				
Fire and property damage	(436)	(436)	(482)	(482)
Marine, aviation and transport	(51)	(51)	(328)	(328)
Motor	(3,506)	(3,506)	(2,830)	(2,830)
Health	(3,333)	(3,333)	(2,721)	(2,721)
Miscellaneous	(133)	(133)	(160)	(160)
	<u>(7,459)</u>	<u>(7,459)</u>	<u>(6,521)</u>	<u>(6,521)</u>

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

For the year ended December 31, 2025

34.2 Financial risk management objectives and policies

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

- Market risk
- Credit risk
- Liquidity risk

34.2.1 Market risk

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

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

34.2.1.1 Financial Risk

Maturity profile of financial assets and liabilities:

OPF	Profit bearing			Non - profit bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
----- Rupees in '000 -----							
Financial assets							
Investments	-	-	-	-	-	-	-
Loans and other receivables	-	-	-	54,867	-	54,867	54,867
Cash and bank	-	10,742	10,742	-	-	-	10,742
December 31, 2025	-	10,742	10,742	-	54,867	65,609	65,609
Financial liabilities							
Other creditors and accruals	-	-	-	570	260,264	260,834	260,834
December 31, 2025	-	-	-	570	260,264	260,834	260,834
----- Rupees in '000 -----							
PTF	Profit bearing			Non - profit bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
Financial assets							
Investments	600	12,093	12,693	-	-	-	12,693
Loans and other receivables	-	-	-	78,675	-	78,675	78,675
Takaful receivables	-	-	-	111,491	-	111,491	111,491
Retakaful recoveries against outstanding claims	-	-	-	5,956	-	5,956	5,956
Salvage recoveries accrued	-	-	-	461	-	461	461
Cash and bank	-	77,361	77,361	1,023	-	1,023	78,384
December 31, 2025	600	89,454	90,054	197,606	-	197,606	287,660
Financial liabilities							
Claims payable	-	-	-	74,589	-	74,589	74,589
Other creditors and accruals	-	-	-	21,857	-	21,857	21,857
Takaful payables	-	-	-	30,799	-	30,799	30,799
December 31, 2025	-	-	-	127,245	-	127,245	127,245

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

For the year ended December 31, 2025

OPF	Profit bearing			Non - profit bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
----- Rupees in '000 -----							
Financial assets							
Investments	-	-	-	-	-	-	-
Loans and other receivables	-	-	-	44,854	-	44,854	44,854
Cash and bank	-	11,532	11,532	-	-	-	11,532
31 December 2024	-	11,532	11,532	44,854	-	44,854	56,386
Financial liabilities							
Other creditors and accruals	-	-	- 398	422	218,451	218,873	218,873
31 December 2024	-	-	- 398	422	218,451	218,873	218,873
----- Rupees in '000 -----							
PTF	Profit bearing			Non - profit bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
----- Rupees in '000 -----							
Financial assets							
Investments	600	10,515	11,115	-	-	-	11,115
Loans and other receivables	-	-	-	46,969	-	46,969	46,969
Takaful receivables	-	-	-	85,172	-	85,172	85,172
Retakaful recoveries against outstanding claims	-	-	-	8,867	-	8,867	8,867
Salvage recoveries accrued	-	-	-	7,110	-	7,110	7,110
Cash and bank	-	82,850	82,850	2,124	-	2,124	84,974
December 31, 2024	600	93,365	93,965	150,242	-	150,242	244,207
Financial liabilities							
Claims payable	-	-	-	65,210	-	65,210	65,210
Other creditors and accruals	-	-	-	9,785	-	9,785	9,785
Takaful payables	-	-	-	25,902	-	25,902	25,902
December 31, 2024	-	-	-	100,897	-	100,897	100,897

34.2.1.2 Profit rate risk

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

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

All financial assets of the operations are non profit bearing except for cash and bank deposits ranging profit from 3.36% to 8.59% (2024: 5.01% to 17.38%).

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

For the year ended December 31, 2025

34.2.1.3 Foreign Currency risk

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

34.2.1.4 Other price risk

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

34.3 Credit risk

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The management monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

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

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

	2025	2024	2025	2024
	OPF		PTF	
	----- Rupees in '000 -----			
Financial assets:				
Bank balances	10,742	11,532	78,384	84,974
Takaful / retakaful receivables	-	-	111,491	85,172
Retakaful recoveries against outstanding claims	-	-	5,956	8,867
Prepayments	-	-		
Deposits and other receivables	<u>10,742</u>	<u>11,532</u>	<u>195,831</u>	<u>179,013</u>

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

Bank	Rating agency	2025	
		Short term	Long term
Meezan Bank Limited	VIS	A-1+	AAA
Bank Islami Pakistan Limited	PACRA	A-1	AA-
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA

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

For the year ended December 31, 2025

The management monitors exposure to credit risk in contribution receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables.

	2025	2024
----- Rupees in '000 -----		
The age analysis of contribution due but unpaid is as follows:		
Up to 1 year	64,864	46,848
1 - 2 years	4,983	7,933
2 - 3 years	6,448	(323)
Over 3 years	4,730	7,290
	81,025	61,746

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

Up to 1 year	3,238	2,378
1 - 2 years	1,540	3,311
2 - 3 years	2,016	(802)
Over 3 years	-	-
	6,793	4,887

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

	Amount due from reinsurance operators	Reinsurance recoveries against outstanding claims	Other reinsurance asset	2025	2024
----- Rupees in '000 -----					
A or above (including PRCL)	29,524	4,764	14,130	48,419	42,232
BBB	849	1,191	3,533	5,572	5,260
Others	5,807	-	4,404	10,211	3,376
Total	36,180	5,955	22,067	64,202	50,868

34.4 Liquidity risk

Liquidity risk is the risk that the Operator will encounter difficulty in meeting its obligations associated with financial liabilities. In respect of major loss event, there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected re-takaful recoveries.

The objective of the Operator's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Operator's reputation.

It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

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

For the year ended December 31, 2025

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

	2025			
	OPF		PTF	
	Upto one year	more than one year	Upto one year	more than one year
	----- (Rupees in '000) -----			
Claims payable	-	-	74,589	-
Other creditors and accruals	260,834	-	21,857	-
Takaful payables	-	-	30,799	-
Total	260,834	-	127,245	-

	2024			
	OPF		PTF	
	Upto one year	more than one year	Upto one year	more than one year
	----- (Rupees in '000) -----			
Claims payable	-	-	65,210	-
Other creditors and accruals	218,873	-	9,785	-
Takaful payables	-	-	25,902	-
Total	218,873	-	100,897	-

35. STATEMENT OF SOLVENCY

	2025 Rupees in '000
Assets	
Investments	12,693
Loans and other receivables	85,128
Takaful / retakaful receivables	111,491
Retakaful recoveries against outstanding claims	5,956
Salvage recoveries accrued	461
Deferred wakala expense	57,064
Prepayments	22,067
Cash and bank deposits	78,384
Total Assets (A)	373,244
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000	
(h) Insurance / reinsurance receivables	23,398
Total of In-admissible assets (B)	23,398
Total Admissible Assets (C=A-B)	349,846

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

For the year ended December 31, 2025

	2025 Rupees in '000
Total Liabilities	
Underwriting provisions	
Outstanding claims including IBNR	74,589
Unearned contribution reserve	163,039
Unearned retakaful rebate	4,116
Takaful / retakaful payables	30,799
Payable to OPF	54,618
Other creditors and accruals	21,857
Total Liabilities (D)	<u>349,018</u>
Total Net Admissible Assets (E=C-D)	<u><u>828</u></u>

36. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

- Level 1** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable.
- Level 3** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

For the year ended December 31, 2025

		2025		
		Fair Value Measurement		
		Level 1	Level 2	Level 3
		----- Rupees in '000 -----		
PTF				
	Available for sale investments			
	Mutual fund units	-	12,093	-
		-	12,093	-
		2024		
		Fair Value Measurement		
		Level 1	Level 2	Level 3
		----- Rupees in '000 -----		
PTF				
	Available for sale investments			
	Mutual fund units	-	10,515	-
		-	10,515	-

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

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

37. CORRESPONDING FIGURES

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

38. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on March 25, 2026 by the Board of Directors of the Operator.

39. GENERAL

All amounts have been rounded to the nearest thousand Rupees.

Chairman

Chief Executive Officer

Director

Director

Chief Financial Officer

CATEGORIES OF SHAREHOLDING

As at December 31, 2025

SNO.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	9	2,721,101	5.38
2	Associated Companies, Undertakings and related Parties	10	13,428,803	26.56
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	5	861,560	1.70
5	Insurance Companies	2	289	0.00
6	Modarabas and Mutual Funds	2	158	0.00
7	Share holders holding 10%	1	9,266,031	18.32
8	General Public :			
	a. local	2,061	29,528,248	58.40
	b .Foreign	-	-	-
9	Others	42	4,024,946	7.96
Total (excluding : share holders holding 10%)		2,131	50,565,105	100

CATEGORY DETAILS OF SHAREHOLDING

As at December 31, 2025

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

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

Associated Companies, Undertakings and related Parties

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

Banks, Development Financial Institutions, Non Banking Financial Institutions

1	133	M/S. BIBOJEE INVESTMENT LIMITED.	12,526
2	593	INDUSTRIAL DEVELOPMENT BANK LIMITED	791
3	00083-36	IDBL (ICP UNIT)	97
4	03277-7003	PAKISTAN INDUSTRIAL DEVELOPMENT CORP.	847,948
5	03525-100145	ESCORTS INVESTMENT BANK LIMITED	198
TOTAL >>			861,560

Insurance Companies

1	673	M/S.STATE LIFE INSURANCE CORPN.OF PAK.	172
2	03277-8997	THE CRESCENT STAR INSURANCE CO.LTD.	117
TOTAL >>			289

Modarabas and Mutual Funds

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

CATEGORY DETAILS OF SHAREHOLDING

As at December 31, 2024

Others

SNO.	FOLIO	NAME	HOLDING
1	110	M/S.THE PAN ISLAMIC STEAMSHIP CO.LTD	65
2	169	M/S.AUSTRALASIA BANK LTD.	2,923
3	345	M/S.MUTUAL TRADING CO.LTD.	1
4	362	M/S.TAYYAB KATCHI & CO.LIMITED.	5,314
5	389	M/S.GOLDEN VALLEY TRADING CO.LTD.	3,525
6	503	M/S.VALIKA INVESTMENT CORPN.LTD.	5,184
7	985	M/S.CRESCENT TRADING CORPN.(PVT) LTD	9,095
8	1144	ALI TRUST, LAHORE.	41
9	1665	M/S.SITARA ENTERPRISES (PVT) LTD.	177
10	2279	M/S. N.H. SECURITIES (PVT) LTD.	23
11	2350	M/S.PROGRESSIVE GARMENTS (PVT) LTD.	11,797
12	2352	M/S.CRESCENT SPINNING MILLS LTD.	7,372
13	2577	M/S.AMIN BASHIR VENTURES (PVT) LTD.	12,290
14	3032	TRUSTI BONUS FBR	33,476
15	3042	TRUSTEE TO 5% BONUS FBR	42,135
16	3068	TRUSTEE TO 5% BONUS FBR 10% BOUNS	15,864
17	3069	TRUSTEE TO BOUNS FRACTION SHARES COMPANY SECRETARY	1,032
18	3082	TRUSTEE TO BONUS FRACTION SHARE COMPENY SECRETARY	958
19	01917-33	PRUDENTIAL SECURITIES LIMITED	2,340
20	01917-41	PRUDENTIAL SECURITIES LIMITED	122
21	02287-14	ISE TOWERS REIT MANAGEMENT COMPANY LIMITED	293
22	02287-22	ISE TOWERS REIT MANAGEMENT COMPANY LIMITED	8,548
23	03210-28	Y.S. SECURITIES & SERVICES (PVT) LTD.	912
24	03277-1048	MILLWALA SONS (PRIVATE) LIMITED	29
25	03277-64371	DEPUTY ADMINISTRATOR ABANDONED PROPERTIES ORGANIZATION	270,510
26	03277-9352	TRUSTEES CRESCENT STEEL&ALLIED PROD PN.F	12,589
27	03277-94725	ROOMI HOLDINGS (PVT.) LIMITED	1,234,000
28	03277-9699	BURMA OIL MILLS LTD	191,697
29	03350-22	ZAHID LATIF KHAN SECURITIES (PVT) LTD.	7,500
30	03525-113676	MASOOD HOLDINGS (PRIVATE) LIMITED	1,400,533
31	03525-57191	SARFRAZ MAHMOOD (PRIVATE) LTD	741
32	03525-63817	NH SECURITIES (PVT) LIMITED.	933
33	03525-87235	MAPLE LEAF CAPITAL LIMITED	1
34	04440-20	ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD.	562
35	04580-23	CAPITAL VISION SECURITIES (PVT) LTD.	167
36	04705-87224	FEDERAL BOARD OF REVENUE	239,711
37	05736-15	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	10,518
38	10231-27	MSMANIAR FINANCIALS (PVT) LTD.	465
39	14241-22	FIKREES (PRIVATE) LIMITED	16,260
40	16857-26	MRA SECURITIES LIMITED - MF	261,557
41	16899-22	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	201,186
42	17004-27	FAWAD YUSUF SECURITIES (PRIVATE) LIMITED - MF	12,500
TOTAL >>			4,024,946

PATTERN OF SHAREHOLDING

As at December 31, 2025

NO OF SHAREHOLDERS	NO. OF SHAREHOLDINGS		TOTAL SHARES HELD
	FROM	TO	
632	1	100	17,009
445	101	500	119,847
216	501	1,000	165,340
396	1,001	5,000	998,139
110	5,001	10,000	826,810
64	10,001	15,000	795,734
26	15,001	20,000	440,358
28	20,001	25,000	634,550
26	25,001	30,000	720,174
13	30,001	35,000	426,279
17	35,001	40,000	636,291
9	40,001	45,000	385,984
9	45,001	50,000	444,558
9	50,001	55,000	464,414
3	55,001	60,000	175,190
4	60,001	65,000	253,467
9	65,001	70,000	616,896
9	70,001	75,000	654,539
2	75,001	80,000	156,000
4	80,001	85,000	332,161
3	85,001	90,000	262,643
3	90,001	95,000	278,635
12	95,001	100,000	1,199,040
2	100,001	105,000	203,186
1	115,001	120,000	116,549
2	120,001	125,000	248,123
3	125,001	130,000	380,821
4	130,001	135,000	533,334
3	135,001	140,000	414,878
1	140,001	145,000	141,573
2	145,001	150,000	294,350
7	150,001	155,000	1,067,561
1	160,001	165,000	160,329
3	165,001	170,000	506,439
2	170,001	175,000	345,217
1	190,001	195,000	191,697
3	200,001	205,000	605,969
2	205,001	210,000	415,707
1	215,001	220,000	218,005

PATTERN OF SHAREHOLDING

As at December 31, 2025

NO OF SHAREHOLDERS	NO. OF SHAREHOLDINGS		TOTAL SHARES HELD
	FROM	TO	
1	235,001	240,000	239,711
1	255,001	260,000	260,000
1	260,001	265,000	261,557
1	270,001	275,000	270,510
2	280,001	285,000	565,341
1	290,001	295,000	294,467
1	300,001	305,000	303,384
3	305,001	310,000	918,996
2	325,001	330,000	657,000
1	345,001	350,000	348,307
1	370,001	375,000	373,731
1	375,001	380,000	377,785
1	390,001	395,000	394,411
1	410,001	415,000	410,775
1	415,001	420,000	419,510
1	430,001	435,000	434,803
1	435,001	440,000	439,997
1	450,001	455,000	450,696
1	455,001	460,000	459,441
1	475,001	480,000	478,724
2	485,001	490,000	976,335
1	495,001	500,000	500,000
1	505,001	510,000	505,643
1	545,001	550,000	550,000
1	565,001	570,000	568,461
2	575,001	580,000	1,153,556
1	665,001	670,000	669,701
1	700,001	705,000	701,259
1	735,001	740,000	739,069
1	845,001	850,000	847,948
1	960,001	965,000	964,430
1	1,180,001	1,185,000	1,183,054
1	1,215,001	1,220,000	1,219,423
1	1,230,001	1,235,000	1,234,000
1	1,295,001	1,300,000	1,298,971
1	1,400,001	1,405,000	1,400,533
1	1,575,001	1,580,000	1,579,749
1	9,265,001	9,270,000	9,266,031
<u>2,131</u>			<u>50,565,105</u>

BRANCH NETWORK

Karachi

Head Office

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

Phone: 021-32416331-4

Fax: 021-32416572

Clifton Branch

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

Phone: 021-32416331-4

Fax: 021-32416572

North Zone

Zonal Office Lahore

162 Shadman II Lahore.

Phone: 042-35407001-5

Fax: 042-35407006

Mall Branch Lahore

23 Shahrah-e-Quaid-e-Azam, Lahore.

Phone: 042-37230602-3

Multan Branch

P-KOK Towers

Nishter Chowk, Multan

Phone: 061-4515007-9

Faisalabad Branch

1st Floor Regency Arcade,
949-Mall Road, Faisalabad.

Phone: 041-2632211-3

Fax: 041-2617802

Gujranwala Branch

Block - L, Trust Plaza,
G.T Road, Gujranwala.

Phone: 055-3256432

Islamabad Branch

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

Phone: 051-2803024-5

Fax: 051-2348169

Peshawar Branch

Lamsy Arcade, 1st Floor, Fakhra-e-Alam Road,
Peshawar Cantt.

Phone: 091-5273757 / 5277809

Fax: 091-5277809

Sialkot Branch

Room # 3 & 4, Sahib Plaza,
Saga Chowk, Defence Road, Sialkot.

Phone: 052-3572192-3

Quetta Branch

43-Regal Plaza 2nd Floor
Circular Road Quetta

Phone: 081-2842883

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 74th Annual General Meeting ("AGM") of PREMIER INSURANCE LIMITED ("the Company") will be held on April 27, 2026 at 10:00 am at Registered Office, 5th Floor, State Life Building No. 2A, Wallace Road, Karachi as well as through Video link facility to transact the following business: -

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2025, together with the Chairman's Review, Directors' and Auditors' Reports thereon.

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



<https://pil.com.pk/pin/wp-content/uploads/2026/03/2025-PIL-ANNUAL-REPORT.pdf>

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

Special Business

3. To consider and, if thought fit, to pass, with or without modification, the resolution set out in the statement of material facts annexed to the notice of this meeting as a special resolution to increase the authorized share capital of the Company from PKR 750,000,000 to PKR 1,500,000,000.

(A statement of material facts pertaining to the special business to be transacted at the meeting, as required under Section 134(3) of the Companies Act, 2017 along with draft resolutions, is annexed to and forms part of this notice circulated to the members and other entitled persons).

By Order of the Board

Fariq Mahmood Khan Rohilla
Company Secretary

Karachi: April 06, 2026

NOTICE OF ANNUAL GENERAL MEETING

Notes:

Closure of Share Transfer Books

The Share Transfer Book of the Company shall remain closed from April 20, 2026 to April 27, 2026 (both days inclusive). Transfers received in order at the office of our Registrar, FAMCO Share Registration Services (Pvt) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, Pakistan by the close of business on April 19, 2026 will be treated in time for the purpose of attending, speaking and voting at the AGM.

AGM by Video-link facility

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

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

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

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

Participation in the Annual General Meeting

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

Circulation of Annual Reports

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

NOTICE OF ANNUAL GENERAL MEETING

The Company has also placed a copy of the Notice of AGM, Annual Financial Statements for the year ended December 31, 2025 along with Auditors and Directors Reports thereon and Chairman's Review and other information on the website of the Company: www.pil.com.pk

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

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

Conversion of Physical Shares into CDC Account

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

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

Members are apprised of the various advantages associated with holding shares in book-entry form, including secure and convenient custody, easy tradability, elimination of risks like loss or theft, no stamp duty is required on issuance of duplicate share certificates and transfer of shares, and the smooth crediting of bonus or right-shares. We strongly advise members, in their best interest, to promptly undertake the conversion of their physical shares into book-entry form.

Dividend, Electronic Credit Mandate (Mandatory)

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

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

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

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

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

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

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

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

Updation of Shareholder Addresses/Email & Cell Numbers:

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

NOTICE OF ANNUAL GENERAL MEETING

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

Zakat Exemption

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

Prohibition of Gifts

In view of the prohibition under Section 185 of the Companies Act, 2017, no gift in any form shall be distributed at the general meetings of the Company.

E-Voting:

The members of Premier Insurance Limited ("the Company") are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Premier Insurance Limited will be allowed to exercise their right to vote through the electronic voting facility and voting by post for the special business in its AGM to be held on April, 27, 2026, at 10:00 am members who have not cast their vote through electronic voting facility or postal ballot prior to the date of the AGM shall be entitled to cast their vote at the AGM by way of ballot paper only in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

Procedure for E-Voting

- (a) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business of April 19, 2026
- (b) The web address and login details will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of FAMCO Share Registration Services (Pvt.) Limited (being the e-voting service provider).
- (c) Identity of the Members intending to cast a vote through e-voting shall be authenticated through an electronic signature or authentication for login.

NOTICE OF ANNUAL GENERAL MEETING

- (d) E-Voting lines will start from April 20, 2026 (book closure start date), 03:00 p.m. and shall close on April 26, 2026 (one day prior to meeting date) at 05:00 p.m. Members can cast their votes at any time during the said timelines. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for Voting Through Postal Ballot

Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.pil.com.pk to download.

The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, 5th Floor State Life Building No 2A Wallace Road, Karachi, Pakistan. or email at chairman@pil.com.pk one day before the AGM, i.e., on April 26, 2026 before 5:00 p.m. In case of member is a corporate entity, the Board's resolution / power of attorney with specimen signature shall also be furnished (unless it has been provided earlier) along with ballot paper to the Company. A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT 2017

This statement sets out the material facts concerning special business to be transacted at the AGM of the company to be held on April 27, 2026.

Increase in authorized Share Capital

Currently, the company's authorized capital stands at Rs. 750 million, which is inadequate to satisfy the increased paid-up capital requirements for non-life insurer as set out by the regulator in terms of SRO 310 dated 03 March, 2025.

The new shares, whenever issued, shall carry same voting rights and rank pari passu with the existing ordinary shares in all respect matters in conformity with the provisions of the companies Act, 2017.

The proposed increase in authorized share capital will also necessitate amendments in clause 5 of the Memorandum of Association (MOA) and Article 4 of the Articles of association (AOA) of the Company of which details are as follows:

Clause 5 of the Memorandum of Association:

Existing Clause	Proposed Clause
<p>The capital of the Company is PKR 750,000,000/- (Pak Rupees Seven Hundred and Fifty Million only) divided into 75,000,000 shares of PKR 10/- (Pak Rupees Ten only) each with the power of the Company, specifically, to increase the authorized share capital to include a further issue including of preference shares, and generally, to increase or reduce the capital and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Ordinance, 1984 and any rules made thereunder, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being (in accordance with the applicable laws), and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company (in accordance with applicable laws).</p>	<p>The capital of the Company is PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million only) divided into 150,000,000 shares of PKR 10/- (Pak Rupees Ten only) each with the power of the Company, specifically, to increase the authorized share capital to include a further issue including of preference shares, and generally, to increase or reduce the capital and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017 and any rules made thereunder, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being (in accordance with the applicable laws), and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company (in accordance with applicable laws).</p>

NOTICE OF ANNUAL GENERAL MEETING

Article 4 of Articles of Association:

Existing Clause	Proposed Clause
<p>The Authorized Share Capital of the Company shall be PKR 750,000,000/- (Pak Rupees Seven Hundred and Fifty Million only) divided into 75,000,000 (Seventy Five Million) ordinary Shares of PKR 10/- (Pak Rupees Ten only) each with power to the Company, specifically, to increase the Authorized Share Capital to include further issues including issuance of preference Shares, and generally, to increase or reduce the Capital and to divide the Shares in the Capital for the time being into several classes in accordance with the provisions of the Ordinance, and any rules made there under, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with these Articles or the Applicable Law for the time being, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by these Articles or the Regulations in accordance with law.</p>	<p>The Authorized Share Capital of the Company shall be PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million only) divided into 150,000,000 (One Hundred Fifty Million) ordinary Shares of PKR 10/- (Pak Rupees Ten only) each with power to the Company, specifically, to increase the Authorized Share Capital to include further issues including issuance of preference Shares, and generally, to increase or reduce the Capital and to divide the Shares in the Capital for the time being into several classes in accordance with the provisions of the Ordinance, and any rules made there under, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with these Articles or the Applicable Law for the time being, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by these Articles or the Regulations in accordance with law.</p>

No directors or Chief Executive of the Company or their relatives have any interest in the proposed alterations of the Memorandum and Articles of Association of the Company and increase in authorized share capital except in their capacities as directors/Chief Executive/shareholders of the Company.

Statement of the Board of Directors

"We, the members of the Board of Directors hereby confirm that the proposed amendments/alterations in the Memorandum and Articles of Association of the Company are in line with the applicable laws and regulatory framework."

For the aforesaid purpose, it is proposed to consider and, if though fit, to pass the following resolution as a special resolution, with or without modifications:

RESOLVED THAT, subject to approval of members of the Company, the Authorized Share Capital of the Company be and is hereby increased from PKR 750,000,000 divided into 75,000,000 ordinary shares of PKR 10/- each to PKR. 1,500,000,000 divided into 150,000,000 ordinary shares of PKR 10/- each by creation of 75,000,000 additional ordinary shares of PKR 10/-each to rank pari passu in every respect with the existing ordinary shares of the Company.

FURTHER RESOLVED THAT, in consequence of the said increase in the Authorized Share Capital of the Company, the existing clause 5 of the Memorandum of Association of the Company and clause 4 of the Articles of Association of the Company be and are hereby replaced accordingly, to read as follows:

NOTICE OF ANNUAL GENERAL MEETING

Clause 5 of Memorandum of Association:

The capital of the Company is PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million only) divided into 150,000,000 shares of PKR 10/- (Pak Rupees Ten only) each with the power of the Company, specifically, to increase the authorized share capital to include a further issue including of preference shares, and generally, to increase or reduce the capital and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017 and any rules made thereunder, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being (in accordance with the applicable laws), and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company (in accordance with applicable laws).

Article 4 of the Article of Association

AUTHORIZED SHARE CAPITAL

The Authorized Share Capital of the Company shall be PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million only) divided into 150,000,000 (One Hundred Fifty Million) ordinary Shares of PKR 10/- (Pak Rupees Ten only) each with power to the Company, specifically, to increase the Authorized Share Capital to include further issues including issuance of preference Shares, and generally, to increase or reduce the Capital and to divide the Shares in the Capital for the time being into several classes in accordance with the provisions of the Ordinance, and any rules made there under, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with these Articles or the Applicable Law for the time being, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by these Articles or the Regulations in accordance with law.

FURTHER RESOLVED THAT, the Chief Executive Officer or Company Secretary be and are hereby singly authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal and corporate formalities and file all requisite documents with the Securities and Exchange Commission of Pakistan to effectuate and implement this resolution."

SHARE REGISTRAR

FAMCO Share Registration Services (Pvt) Limited

8-F, Next to hotel Faran, Nursery Block-6,

P.E.C.H.S., Shahrah-e-Faisal, Karachi.

Phones: (21) 34380101-2

Fax : (21) 34380106

Email : info.shares@famco.com.pk

Subject Consent for Electronic Transmission of Annual Report

Dear Sirs,

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

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

Name of Shareholder(s): _____

Fathers / Husband Name: _____

CNIC: _____ NTN (if any): _____

Participant ID / Folio No: _____ Telephone: _____

Mailing address: _____

Email address:

Date: _____

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

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

پریمیر انشورنس لمیٹڈ

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

نائب اپراکسی فارم

سالانہ جنرل میٹنگ

میں اہم _____ ولد _____ بحیثیت ممبر پریمیر انشورنس لمیٹڈ کے عام ممبر
 رکھتا رکھتی ہوں برطابق رجسٹرڈ فولیو نمبر _____ اور/یا _____ سی ڈی سی _____ کے شراکت دار، شناختی کارڈ
 نمبر _____ ذیلی اکاؤنٹ نمبر _____ قومی شناختی کارڈ نمبر _____ یا پاسپورٹ نمبر _____
 اپوائنٹ _____ جو کہ کمپنی کا پہلے سے ممبر ہے، برطابق فولیو نمبر _____
 یا ناکام رہا/ری _____ کیلئے _____ بطور میرے نائب میری غیر موجودگی میں حاضر
 ہوگی/ہوگا اور میرے لئے میری معرفت ووٹ ڈالے جو کہ کمپنی کے سالانہ اجلاس عام برطابق 27 اپریل 2026 بوقت 10:00 am بجے رجسٹرڈ آفس کراچی میں منعقد ہوگا۔

دستخط مورخہ _____ دن _____ 2026 -

۱- گواہ: _____

دستخط: _____

نام: _____

پتہ: _____

قومی شناختی کارڈ نمبر: _____

۲- گواہ: _____

دستخط: _____

نام: _____

پتہ: _____

قومی شناختی کارڈ نمبر: _____

نوٹ:

۱- ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس، بمقام پانچویں منزل، اسٹیٹ لائف بلڈنگ نمبر A-2، والیک روڈ، کراچی کے پتے پر ارسال کر دے۔

۲- سی ڈی سی ممبر ہولڈرز اور ان کے نائب پر لازم ہے کہ وہ اپنے شناختی کارڈ کی فوٹو کاپی تصدیق شدہ یا پاسپورٹ کی کاپی اس پر اکسی فارم کو کمپنی میں جمع کرنے سے پہلے ساتھ منسلک کریں۔

ریونیو اسٹیٹ پانچ روپے

دستخط ممبر ہولڈرز

Premier Insurance Limited

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

Proxy Form Annual General Meeting

I/We _____ of _____
being a member of Premier Insurance Limited and holder of Ordinary shares as per Registered Folio No _____ and/or CDC Participant I.D.No _____
Sub-Account No _____ CNIC No _____
or Passport No _____ hereby appoint _____
of _____ who is also a member of the company, having Folio No _____
or failing him/her _____ as my/our Proxy in my/our
absence to attend, speak and vote for me/us and on my/ our behalf at the Annual General Meeting of
the company to be held on Monday April, 27 2026, time 10:00 am at Registered Office, Karachi.

Signed this _____ day of _____ 2026

1. Witness:
Signature _____
Name _____
Address _____
CNIC or Passport No _____
2. Witness:
Signature _____
Name _____
Address _____
CNIC or Passport No _____



Signature of Shareholder

Note:

1. Proxies in order to be effective must be received at the Registered Office of the company at 5th Floor, State Life Building No. 2-A, Wallace Road, Karachi not later than 48 hour before the meeting.
2. CDC Shareholders and their Proxies are each requested to attach an attested Photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the company.

Premier Insurance Limited

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



www.pil.com.pk