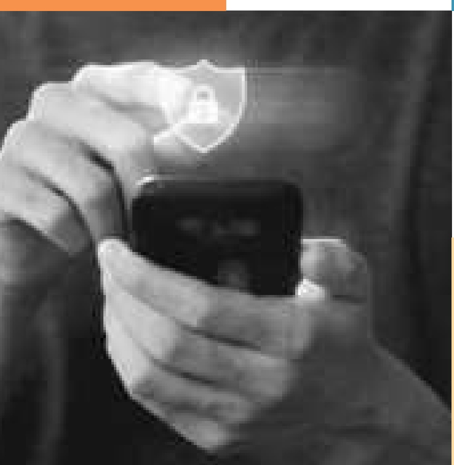
TPL Insurance

ANNUAL REPORT 2025



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EFFICIENT
EFFORTLESS
EMPOWERING

For over two decades, TPL Insurance has been a trusted name in the industry, delivering protection that is efficient in its processes, effortless in its customer experience, and empowering in its approach. By leveraging advanced Insurtech solutions and a legacy of excellence, we simplify insurance for our customers, making it hassle-free and seamless. Our focus remains on enabling individuals and businesses to thrive by providing protection that is both comprehensive and convenient, ensuring peace of mind in an ever-evolving world.

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OUR VISION

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

OUR MISSION

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

OUR VALUES

COMPASSION

We let our customer needs guide us and inspire us to provide innovative solutions.

AGILITY

We are adaptive, striving for innovation and committed to improvement.

FIDELITY

We remain loyal and steadfast in our commitment to our business and our patrons.

2025 IN REVIEW

PACRA maintained the IFS rating at AA

Insurtech of the Year Winner 2025

General Insurance Winner 2025

With continuous technological advancements and a focus on digital transformation, TPLI remains at the forefront of Pakistan's InsurTech landscape, delivering smarter, faster, and more user-friendly insurance solutions across both mobile and web platforms.

Launched Pakistan's first Priority Insurance Solution Titania

AI-powered muzzle scanning app for livestock identification & insurance verification.

Premium achieved over 5.75 billion

Maintained Loss Ratio at 50%

Insured over 26,000 animals in Livestock Insurance

Insured over 22,000 bikes

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CEO'S MESSAGE

Mr. Muhammad Aminuddin
CEO, TPL Insurance

"Institutions are not defined by numbers alone. They are defined by the direction they set. Throughout 2025, we continued to position TPL Insurance as a catalyst for transformation within Pakistan's insurance landscape."

2025 was not simply another year in our journey, it was a year that strengthened our institutional character and sharpened our long-term vision.

In a landscape marked by volatility and structural change, TPL Insurance chose to lead with discipline, foresight, and conviction. Our performance reflects this resolve. Achieving a Gross Written Premium (GWP) of Rs. 5.75 billion, a 15% increase, alongside a loss ratio of approximately 50% and a 26% increase in Net Earned Premium (NEP), demonstrates that sustainable growth is the outcome of governance, prudence, and strategic clarity. These results are not incidental; they are the product of a system built for endurance.

But institutions are not defined by numbers alone. They are defined by the direction they set. Throughout 2025, we continued to position TPL Insurance as a catalyst for transformation within Pakistan's insurance landscape. Our expansion in cyber insurance reflects our belief that protection must evolve in step with a digitalizing economy. Risk is changing and so must the architecture that safeguards it.

Simultaneously, our agriculture, livestock, and cattle fattening solutions represent a deeper commitment, one aligned with national development. By enabling rural enterprises, empowering farmers, and strengthening value chains beyond urban centers, we are extending the relevance of insurance to the very backbone of Pakistan's economy. This is not expansion for scale alone; it is expansion with purpose.

The launch of Titania, our premium proposition for priority SEC A clients, signals another important evolution. In serving high-value segments with distinction, personalization, and relationship-led engagement, we are reinforcing our presence where trust, discretion, and excellence matter most. Leadership demands differentiation, and Titania embodies that philosophy.

We also redesigned and automated critical customer journeys, replacing manual processes with structured, intelligent workflows across renewals, service routing, and response management. We integrated a leading CRM platform to create a unified customer ecosystem enabling precision, transparency, and stronger relationship continuity. Practical AI deployments enhanced internal productivity and decision-making, embedding intelligence into everyday operations.

As we look toward 2026 and beyond, our ambition is institutional, not incremental. We will continue strengthening underwriting discipline, deepening digital integration, and expanding high-impact segments such as corporate risk and embedded protection. In parallel, we are advancing specialized solutions such as IATA Travel Guarantee and Motor Guarantee, reinforcing our position in niche, high-value segments. More importantly, we will continue shaping standards, raising expectations across service, governance, and innovation.

I extend my sincere appreciation to our shareholders, partners, regulators, employees, and customers. Your trust reinforces our responsibility, and our responsibility defines our leadership.

The year behind us has strengthened our foundations.

The decade ahead will define our legacy.

With measured confidence, we remain focused on shaping long term impact, going beyond growth to define leadership within Pakistan's insurance sector. The strategic alignment with Jazz adds a powerful dimension to this vision, enabling us to deliver at scale and lead through innovation.

Warm Regards,

Muhammad Aminuddin
CEO, TPL Insurance

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BOARD OF DIRECTORS

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

Mr. Muhammad Ali Jameel
Director

Mr. Muhammad Aminuddin
CEO

Ms. Naila Kassim
Director

Rana Assad Amin
Director

Ms. Ayla Majid
Director

Mr. Aqueel E. Merchant
Director

Mr. Benjamin Brink
Director

As of 31st December, 2025

MANAGEMENT TEAM

Muhammad Aminuddin
Chief Executive Officer

Syed Ali Hassan Zaidi
Chief Operating Officer

Yousuf Zohaib Ali
Chief Financial Officer

Imtiaz Ahmed
Chief Digital Officer

Hashim Sadiq Ali
Chief Internal Audit

Wajiha Hafeez
Chief Information Officer

Zia Mehdi
Chief Underwriting Officer

Shayan Mufti
Company Secretary & Deputy General Counsel

Aurangzeb Javed Siddiqui
Head of Retail and FI Sales

Akif Zia Malik
Head of Corporate Sales

Tariq Rafiq
Head of Reinsurance - Treaty

Sania Naqvi
Head of Human Resources

Farzana Abdullah-Tahir
Head of Brand & Digital Marketing

As of 31st December, 2025

TITANIA

Made to Lead

Powered by TPLInsurance

Titania by TPL Insurance,
Pakistan's first premier insurance solution,
where your world is our priority.
Inspired by Greek mythology and literature,
Titania — 'of the Titans' — was used in
Ovid's Metamorphoses to describe wise,
transformative, and powerful beings. The Titans,
primordial giants of unmatched power, shaped the
foundations of legend. Carrying this legacy
forward, Titania represents brilliance, resilience,
and leadership.
Crafted for those made to lead, let our experts
handle every aspect of your insurance needs.

Motor Vehicle

Step into a world of unparalleled protection for your prized vehicles. Our bespoke auto insurance provides flawless coverage against accidents, theft, and liabilities. Designed for effortless journeys and peace of mind.

Home

Your home is your masterpiece, deserving of exceptional care. Our tailored coverage shields your sanctuary from life's uncertainties, offering unmatched protection for your estate and valuables.

Solar PV System

Guard your solar panel investment with exclusive coverage. Our premium protection keeps your investment pristine, allowing you to enjoy a sustainable lifestyle without compromise.

Mobile Phones

Crafted for those who demand excellence, our mobile insurance offers comprehensive protection against theft, damage, and screen breakage.

Travel

Every journey deserves perfection. With meticulously curated coverage, our travel plans ensure flawless experiences by protecting against delays, medical emergencies, and baggage loss. Whether your destinations be domestic or international, travel with confidence.

Health Insurance

Elevate your well-being with a health insurance experience befitting your lifestyle. Our distinguished plans—curated for individuals, parents, and domestic staff—ensure seamless access to exceptional medical care, safeguarding both health and peace of mind.

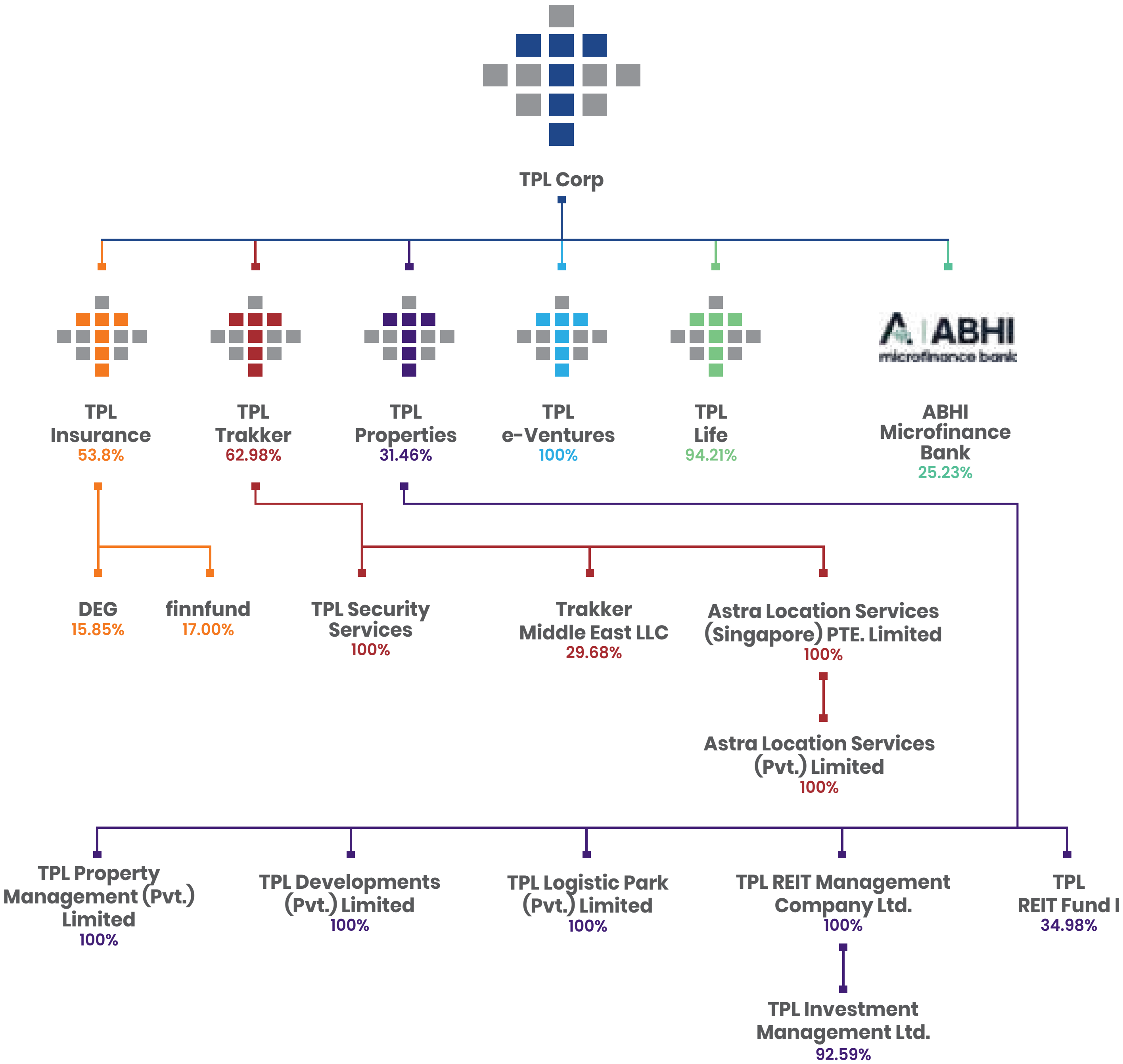
Pet Insurance

Our pet insurance provides comprehensive coverage for medical expenses, grooming, and common illnesses—because your cherished companions deserve the very best.

HOME INSURANCE

SOLAR PV SYSTEM INSURANCE

GROUP ARCHITECTURE



As of 31st December, 2025

COMPANY PROFILE

TPL Insurance

TPL Insurance (TPLI) is transforming Pakistan's insurance sector with state-of-the-art Insurtech solutions and a 24/7 Contact Center, ensuring seamless access to financial protection. Offering a comprehensive range of General Insurance products including Auto, Fire, Marine, Health, Home, Travel, Mobile, Cyber Risk, Engineering, and Agriculture, TPLI provides both Conventional and Takaful (Islamic) solutions. The company maintains a strong AA rating from PACRA and partners with global reinsurers like Hannover Re and IFAS to ensure robust risk management.

With deep integrations across a vast network of business partners, from emerging startups to established enterprises, TPLI is reshaping the traditional insurance ecosystem. Its advanced mobile app is among Pakistan's leading Insurtech platforms, offering real-time policy issuance, claim processing, self-surveys, renewals, and payments. The company continues to drive innovation with customer-centric solutions like DrivePro (usage-based insurance), CarCulator (customized auto coverage), and Area Yield Index Crop Insurance.

TPL Insurance is also the first in the industry to introduce Buy Now, Pay Later (BNPL) insurance, allowing customers to pay premiums in easy 3- or 6-month installments with zero interest. This groundbreaking initiative enhances accessibility, making insurance more affordable and flexible for individuals and businesses alike.

BIKE INSURANCE

AUTO INSURANCE

PRODUCT PORTFOLIO

CAR

A range of auto insurance, designed to protect customer vehicles through comprehensive protection and value-added options.

Comprehensive
Covers your vehicle against accidental damage along with theft/snatching and accessory theft, while also protecting you against third-party claims. It's designed as the most complete everyday motor cover for broader peace of mind. Best suited for customers who want full protection rather than limited-peril coverage.

2T
A value-focused plan that primarily covers theft/snatching and third-party liabilities. It provides essential protection at a lower price point compared to comprehensive options. Ideal for customers who want basic cover for key risks without accidental damage protection.

Secure T
Built for older vehicles (typically over 3 years), covering total loss, theft/snatching, third-party liability, and terrorism perils. It balances affordability with meaningful protection where full comprehensive may not be cost-effective. Suitable for customers seeking stronger-than-basic coverage for an older vehicle.

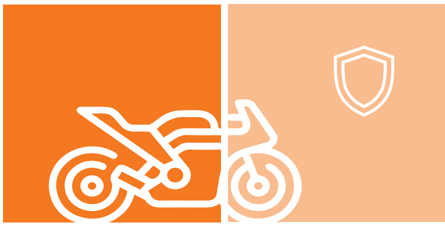
Drive Pro – Telematics
Combines comprehensive motor coverage with telematics-enabled features through the mobile app. Drivers can track driving behavior, improve their driving score, and earn redeemable rewards/points. Ideal for tech-savvy customers who want benefits linked to safer driving habits.

Zero-Depreciation Comprehensive
Offers comprehensive coverage with reduced depreciation impact on claim settlements (subject to policy terms). This helps customers receive a higher claim value versus standard depreciation deductions. Best for customers looking to minimize value reduction during repairs/replacement.

Self-Insurance
A discounted comprehensive option where the customer shares a defined portion of claim burden up to an agreed limit. It provides protection for major losses while keeping premiums competitive. Suitable for confident drivers who prefer lower premiums and can absorb minor loss costs.

Platinum Drive
Designed for brand-new locally assembled vehicles with bundled enhanced benefits. It typically provides premium servicing features and an upgraded coverage experience. Best for new-car owners who want a higher-tier proposition.

Carculator
A flexible motor solution that lets customers tailor coverage through add-ons so they pay for what they actually need. It supports customization based on vehicle usage and personal risk preference. Ideal for customers who want control over benefits and pricing.



BIKE

Coverage of motorbikes from unfortunate events while commuting or being stationary (easy to avail digitally).

Smart Ride
Provides essential bike protection focused on theft and total loss. It's structured for everyday riders looking for affordability and basic risk coverage. Best for commuters who want protection against major loss events without extra features.

Smart Ride Plus
Extends bike protection beyond theft/total loss by including accidental damage and third-party liability. It offers broader coverage for riders exposed to traffic and accident risks, ideal for customers wanting a more complete bike plan.

HOME

Safeguard your home's structure and contents against unforeseen events such as burglary, housebreaking, natural calamities, riots, and accidental damage. It offers flexible protection through three variants such as Homeowner, Tenant and Landlord designed according to different living arrangements. The plan also extends comprehensive cover for valuables, including household items like cash and jewelry, along with protection against third party property damage and bodily injury

MOBILE

Coverage against accidental damage and physical loss resulting from theft or armed robbery. Coverage includes the following:

- Accidental and/or physical damage to screen.
- Coverage against theft or armed robbery (forcible/violent) of mobile phones

TRAVEL

Comprehensive services for trips worldwide, including emergency solutions during travel and hospitalization support where payments are made directly to the hospital (as applicable).

Domestic Travel
Our Domestic Travel Takaful provides a Sharia-compliant safety net for journeys within Pakistan. It protects participants against unforeseen incidents, minimizing financial strain through predefined assistance and communal benefit coverage.

International Travel
Our Takaful plans are tailored to mitigate high out-of-pocket costs overseas. Whether traveling for business or pleasure you remain protected under a transparent, Sharia-compliant framework.

Hajj & Umrah Travel
Tailored for pilgrimage travel with benefits structured around the nature of religious journeys. It supports travelers with defined emergency and medical assistance coverage during the trip.

Ziarat Travel
Our Ziarat-focused Takaful is purposefully built for pilgrims visiting holy sites across borders. It provides a dedicated safety net for emergencies and travel incidents, allowing you to focus on your spiritual devotion while we safeguard your journey."

Student Guard
Designed for students pursuing excellence worldwide, this Takaful plan offers extended coverage tailored to the academic calendar. From emergency medical support to journey related contingencies wherein we manage the risks of living overseas so you can thrive in your studies with complete financial peace of mind.

PROPERTY

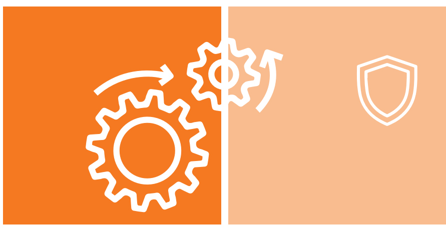
Secure your peace of mind with our following insurance products that shield your property from the financial burden of unexpected accidents and damage.

- Fire and Allied Perils
- Business Interruption following Fire & Allied Perils Insurance
- Comprehensive Machinery Insurance (CMI)
- Civil Engineering Complete Risk (CECR)
- Property All Risks
- Hotel Owners All Risks
- Terrorism

MARINE

Our Marine Insurance provides essential transit protection for importers, exporters, and commodity traders, ensuring your cargo is secured from origin to destination.

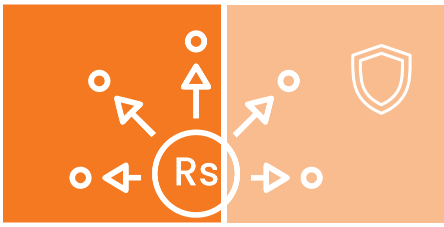
Marine Liability solutions extend coverage to charterers, marina operators, ship repairers, stevedores, terminal operators and wharfingers on both primary and excess basis.



ENGINEERING

Products designed to safeguard against financial losses arising from sudden/unexpected physical damage or loss to insured assets including machinery and contractor equipment as well as engineering projects during construction/erection phases.

- Erection All Risks
- Contractors Plant & Machinery
- Machinery Breakdown
- Advance Loss of Profit
- Electronic Equipment
- Boiler & Pressure Vessel
- Deterioration of Stock due to Temperature Variation



LIABILITIES

It protects individuals or businesses from financial losses arising from legal claims or lawsuits due to their actions, negligence or obligations. It covers the costs associated with legal defense, settlements or judgments.

- Third Party Liability
- Commercial General Liability
- Product Liability
- Professional Indemnity
- Medical Malpractice
- Employer Liability
- Directors & Officers Liability

INDEMNITY BONDS

Bonds Insurance, also referred to as Surety Bonds, is a form of insurance that ensures the fulfillment of a contractor's obligations or guarantees their performance under a contract.

- Bid Bond
- Mobilization Advance Bond
- Performance Bond

FINANCIAL LINES

A wider range of coverages to safeguard the financial institutions against the financial losses occurred due to theft of their customer and/or account holder currencies, gold by forcible and violent means, forgery, embezzlement of banks employees.

- Bankers Blanket Bond
- Safe Deposit Box Insurance
- Electronic & Computer Crime
- Plastic Card

SPECIALIZED INSURANCE

It refers to products designed to cover unique and emerging risks for industries, including safeguards against losses resulting from cyberattacks, data breaches or other cyber-related incidents. This also includes coverage for aircraft, pilots, and passengers, encompassing liability, hull damage and medical expenses.

- Event Cancellation
- Aviation Insurance
- Fine Arts Insurance
- Cyber Insurance
- Personal Cyber Insurance

MISCELLANEOUS INSURANCE

Covers selected losses such as staff embezzlement, loss of money in vault/transit, and accidental damage to glass/signage (and other miscellaneous risks, as applicable).

- Fidelity Guarantee
- Cash in Safe
- Cash in Transit
- Plate Glass
- Neon Signs

AGRICULTURE

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

Crop Insurance

Protects farmers against financial losses arising from insured perils that impact crop output and yield. It supports income stability across the cultivation cycle. Ideal for growers seeking protection against unpredictable agricultural risk.

Livestock Insurance

Covers livestock against defined risks to protect farmers from sudden financial shock. It supports continuity of operations and safeguards farm value tied to animals. Best for dairy, cattle, and livestock-rearing segments.

Area Yield Index Insurance (AYII)

An index-based crop solution where claims are linked to area-level yield performance rather than individual farm loss assessment. This allows efficient, scalable protection against widespread yield shortfalls. Best for regions where yield variability is a primary risk and index structures are suitable.

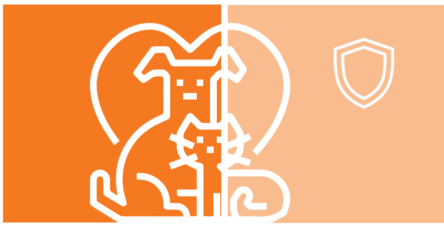
SOLAR INSURANCE

Coverage specifically designed for solar PV systems to protect high-value installations against a range of insured risks. It supports homeowners and businesses by safeguarding critical components such as inverters, mounting structures, and associated equipment (as per policy terms). The plan helps reduce financial exposure arising from unforeseen damage or loss, ensuring continuity of power generation and long-term investment protection.

HEALTH

Provides protection against the financial impact of medical treatment costs in case of hospitalization due to serious illness or accidents. Financially vulnerable customers can opt for the micro health product, allowing policy holders to receive treatment at any hospital across Pakistan as per their convenience. TPLI maintains one of the largest cashless hospitalization networks in the Micro Health segment, and also offers Group Health solutions supported by digitized claims processes and wellness programs.

- Family Health Insurance
- Parental Health Insurance
- Domestic Health Insurance
- Group Health Insurance
- Micro Health Insurance (including partner/segment programs)
- Women Shield



PAWSURANCE PET HEALTH INSURANCE

A new standard in pet health protection with Pawsurance for cats and dogs, designed to help you stay financially ready for unforeseen veterinary expenses. With multiple plan options of varying coverage levels, making it the first in the country to offer comprehensive cover customized to the distinct healthcare needs of pets aged 08 weeks to 08 years.

- Accidents
- Illnesses
- Diagnostics
- Surgery & Specialized Care
- Emergencies & Hospitalization

SHOP INSURANCE

Coverage tailored for shops and small businesses to protect premises, stock, and business assets against a range of insured risks. It helps reduce financial loss arising from incidents such as fire and allied perils, burglary/housebreaking, and accidental damage (as per policy terms). Designed to support business continuity, the cover can be structured to suit different shop types and risk profiles, ensuring day-to-day operations remain protected.

TITANIA PRIORITY INSURANCE

Titania is Pakistan's priority insurance solution curated for High Net Worth Individuals, providing comprehensive protection for lifestyle and personal assets with highly personalized service, dedicated relationship management and priority claims handling.

Asset & lifestyle coverage under Titania typically includes:
- Vehicles (customized comprehensive + third-party liability options)
- Home (structure, contents, valuables)
- Solar PV System (high-sum coverage options)
- Mobile Phone (damage/loss/theft options with higher limits)
- Travel (domestic/international; family/student/Umrah/Ziarat options)
- Health (plans for individuals/families/parents/domestic staff)
- Pet (Plans for pet protection)

MARINE INSURANCE

ENGINEERING INSURANCE

TPL
Window Takaful Operations

WINDOW TAKAFUL OPERATIONS

Licensed in 2014, TPL Window Takaful Operations (WTO) has firmly established itself as one of Pakistan's leading Window Takaful Operators, consistently demonstrating resilience, disciplined growth, and a strong contribution to the industry's top tier. Guided by clear strategic objectives, the division is committed to delivering ethical, Shariah-compliant non-life Takaful solutions that address the evolving risk management needs of individuals and businesses.

Our operations emphasize comprehensive risk mitigation backed by A-rated Re-Takaful partners and robust in-house survey capabilities. We ensure reliability, transparency and swift claim settlement and processing, positioning us among the fastest in the industry. Through strong distribution channels and a dedicated call center, we provide seamless 24/7 service support to our customers.

Our Window Takaful Operations are governed by a comprehensive Shariah governance framework, overseen by Mufti Muhammad Talha Iqbal, Shariah Advisor, and Mufti Muhammad Zakaria Iqbal, Head of Shariah Compliance. Their guidance ensures strict adherence to Islamic principles, reinforcing our unwavering commitment to ethical conduct, transparency, and excellence in Takaful operations.

Mobile App

TPL Insurance advanced its digital transformation by significantly strengthening its technology and digital distribution ecosystem to deliver a more seamless, intelligent, and customer-centric experience. The Company enhanced its React Native based mobile application, improving performance, simplifying policy purchase journeys, strengthening claims capabilities, and enabling scalable integrations with partner platforms.

During the year, TPL Insurance also launched a newly developed website designed to support fully digital, end-to-end purchase journeys. The platform features dedicated sections for Titania, Takaful, and Enterprise solutions, alongside an AI-powered voice assistance feature for motor insurance, further enhancing accessibility and convenience for customers.

TPL Insurance also expanded its digital distribution footprint through integrations with aggregators and strategic partners, including Matchless, Sastaticket, InsureMart, and Takaful Bazaar. These partnerships broaden access to insurance solutions, strengthen digital channels, and support the Company's continued growth in digital customer acquisition and engagement.

Mobile App Enhancements

- **New Mobile App** (React Native Stack) launched on Google Play Store and Apple App Store.
- **Shop & Solar Insurance** added to the mobile app.
- **Call Us Back feature** introduced for lead generation on the mobile app.
- **PayFast payment gateway** is integrated for secure and seamless premium payments.
- **Digital OPD** feature on TPL Insurance launched in collaboration with Oladoc.
- **ScanMyCow** – AI-powered muzzle scanning app for livestock identification and insurance verification.
- **Surveyor App (Android)** - launched with enhanced claim assessment capabilities.
- **Carculator (MicroInsurance)** - Carculator allows users to independently select coverage components such as rain/flood cover, repair coverage, and theft protection, rather than purchasing a fixed bundled plan

Web Enhancements

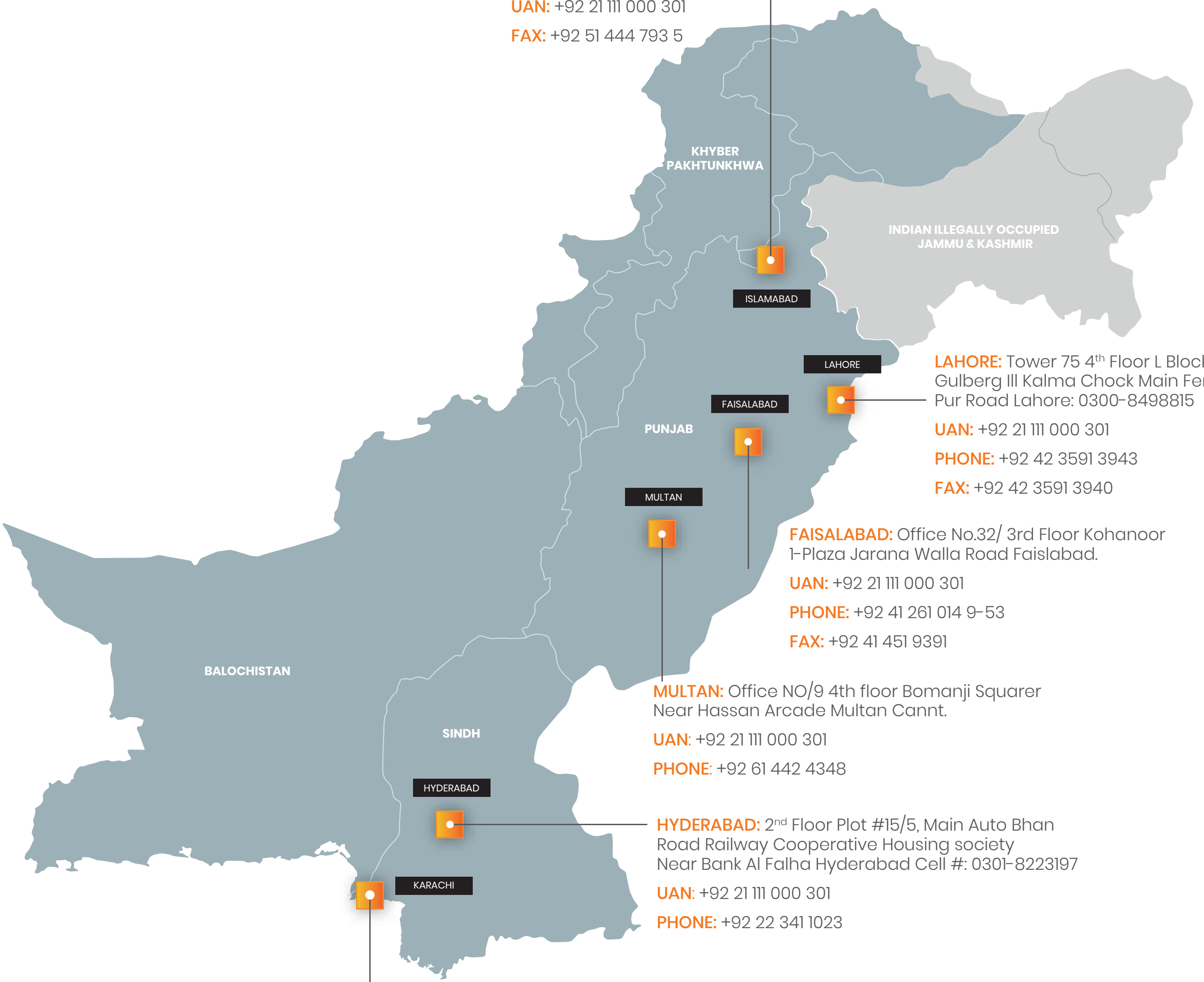
- Introduced dedicated product landing pages to provide easy access to product information and improve the overall customer journey.
- Implemented continuous performance optimization and structured quality assurance processes to ensure a stable, efficient, and reliable user experience.
- Launched collaboration campaign pages to showcase strategic partnerships and support stronger lead generation through digital channels.

GEOGRAPHICAL PRESENCE

ISLAMABAD: Plot No.12/A 2nd floor East site CBC Building G/8 Markkas ISLAMABAD

UAN: +92 21 111 000 301

FAX: +92 51 444 793 5



LAHORE: Tower 75 4th Floor L Block, Gulberg III Kalma Chock Main Feroz Pur Road Lahore: 0300-8498815

UAN: +92 21 111 000 301

PHONE: +92 42 3591 3943

FAX: +92 42 3591 3940

FAISALABAD: Office No.32/ 3rd Floor Kohanoor 1-Plaza Jarana Walla Road Faislabad.

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PHONE: +92 41 261 014 9-53

FAX: +92 41 451 9391

MULTAN: Office NO/9 4th floor Bomanji Squarer Near Hassan Arcade Multan Cannt.

UAN: +92 21 111 000 301

PHONE: +92 61 442 4348

HYDERABAD: 2nd Floor Plot #15/5, Main Auto Bhan Road Railway Cooperative Housing society Near Bank Al Falha Hyderabad Cell #: 0301-8223197

UAN: +92 21 111 000 301

PHONE: +92 22 341 1023

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

UAN: +92 21 111 000 301

PHONE: +92 21 3713 0223

FAX: +92 21 3531 6031-2

BRANCH OFFICES:

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

UAN: +92 21 111 000 301

PHONE: +92 21 3713 0223

FAX: +92 21 3531 6031-2

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

LIVESTOCK INSURANCE

AREA YIELD INDEX CROP INSURANCE

SWOT ANALYSIS

S
STRENGTHS

- Achieved PKR 5.7 billion GWP, with a diversified portfolio of products demonstrating financial resilience and market leadership.
- Strengthened treaty capacity and reinsurance panel quality, improving ability to underwrite larger and more complex risks with confidence.
- Maintained a strong external credibility signal with PACRA IFS rating "AA (ifs)"
- Focused on technology led operating advantages with AI initiatives, in order to increase efficiency and reduce turnaround times.
- Continued build out of integrated CRM capability (marketing, sales, and service modules progressing) to improve customer visibility, retention, and cross sell discipline.
- Strengthened SEC A+ market differentiation through premium service with dedicated relationship managers and priority claims handling.

W
WEAKNESSES

- Low insurance awareness and limited understanding of coverage, slowed adoption and increased the need for targeted selling.
- Ongoing improvements in data consistency and integrations are needed to achieve accuracy and more advanced analytics.
- The industry's tendency to compete on price, made margin expansion and value-based differentiation harder.
- Customer journeys in the sector faced process and documentation friction, which may affect conversion and turnaround time.

O
OPPORTUNITIES

- Expand protection propositions through micro and mass market covers with simplified terms, instant issuance, and faster settlement models.
- Strengthen digital onboarding and verification through improved KYC/identity workflows to reduce drop offs and improve compliance readiness.
- Expand digital alliances (telecoms, fintechs, wallets, e-commerce platforms) and partner distributions to unlock higher volume growth.
- Strengthen customer engagement through CRM cross-sell/upsell and retention journeys as digital maturity improves.
- Accelerate growth in Travel Guarantee by implementing digital journeys, positioning it as a high-utility product for specific visa and travel related needs while enabling cross sell into broader travel protection.

T
THREATS

- Currency volatility and supply chain disruption can impact import availability/costs, for motor claims severity and repair turnaround times.
- Cybersecurity and data privacy risk can increase as operations digitize and expand digital servicing and analytics.
  Reputation sensitivity where service delays or claim disputes can escalate quickly and impact brand trust.
- Shifts in customer affordability and persistency due to macroeconomic uncertainty, can influence renewal behavior and product uptake.
- The shift to IFRS 17 can increase reporting complexity, systems readiness requirements, and ongoing compliance workload.

PESTEL ANALYSIS

Political

In 2025, policy continuity and regulatory focus on financial sector resilience remained a key factor shaping confidence and sector direction. Alongside this, the regulator continued encouraging competition and modernization evidenced by Pakistan's first digital only insurance license being granted, signaling a clear push towards tech focused models. TPL Insurance strengthened defensibility by accelerating customer centric execution through digital journeys, premium service differentiation, and stronger governance around market facing initiatives.

Economic

Economic conditions in 2025 showed gradual stabilization, with easing inflation trends and a reduction in interest rates supporting broader business activity and consumer sentiment. TPL Insurance focused on underwriting discipline, cost control, and service efficiency to manage claims severity pressure, particularly in repair and healthcare ecosystems, while maintaining product relevance for changing customer affordability.

Social

Customer expectations continued shifting towards faster servicing, transparency, and digital convenience, while low insurance awareness remained a market wide challenge. Younger and digitally active segments increasingly preferred simpler onboarding and quicker resolution, raising service benchmarks across the industry. TPL Insurance strengthened its propositions by focusing on existing and priority socio-economic segments, through automated processes, relationship focused engagement, and improved customer journey responsiveness.

Technological

The sector's technology shift accelerated in 2025 as digital first players expanded and market expectations moved toward automated onboarding and servicing. The issuance of a digital only license further reinforced that technology focused insurance models are becoming a mainstream competitive benchmark. TPL Insurance progressed through CRM workflows digitization across key journeys (sales, renewals, and service), and advanced practical AI use cases to improve productivity, standardization, and turnaround times.

Environmental

Climate variability continued to shape insurance risk considerations in 2025, with weather related volatility reinforcing the importance of prudent risk selection, catastrophe protection, and portfolio resilience, especially for property and agriculture linked exposures. TPL Insurance worked on its risk protection approach through disciplined underwriting and reinsurance structuring, supporting stability against event driven volatility.

Legal

In 2025, SECP approved significant amendments to the insurance regulatory framework, including higher minimum capital requirements and broader reforms aimed at strengthening industry resilience and reporting discipline. TPL Insurance maintained a strong compliance posture while strengthening its reinsurance treaty program and internal governance to remain aligned with evolving regulatory expectations and risk management standards.

PORTER'S 5 FORCES

Threats of New Entrants

Pakistan's insurance sector continues to see the entry of digital-first players with simplified onboarding and fast service. During the year, new entities secured insurance licenses, further intensifying competition. TPL Insurance strengthened its defensibility by scaling customer journeys, automation, and execution through CRM implementation and AI solutions across lead management and servicing, improving speed, consistency, and customer experience, while protecting market share by raising service quality and reducing turnaround times.

Bargaining Power of Suppliers

Supplier power remained high as rising repair and healthcare costs continued to put pressure on the industry, and insurers remained dependent on reinsurers for capacity. During the year, TPL Insurance strengthened its reinsurance treaty program, enhancing protection and supporting underwriting confidence, allowing the Company to manage risk more effectively despite external cost pressures.

Bargaining Power of Customers

Customer's expectations for transparency, affordability, and digital self-service continued to increase. TPL Insurance strengthened its competitive positioning by building a more holistic, segment-driven customer strategy across both premium and mass-market segments. The Company continued to enhance experience and retention within priority segments such as SEC A+ through a premium servicing model characterized by defined service standards, proactive relationship management, and faster claims and query resolution. At the same time, TPL Insurance expanded its footprint in emerging and underpenetrated segments through accessible microinsurance offerings, including solutions such as M-Tag, reinforcing the Company's commitment to inclusive protection and broader market reach. Supported by automation, proactive customer follow-ups, and improved service responsiveness, these initiatives reduced friction across customer journeys while strengthening long-term customer relationships and market competitiveness

Threat of Substitute Products and Services

Traditional insurance continues to face substitution from fintech offerings that feel easier and faster than conventional policies. TPL Insurance reduced this risk by making protection more accessible through improving digital journeys and servicing discipline to ensure smooth customers experience, supporting higher adoption and reducing the appeal of non-insurance alternatives.

Rivalry Among Existing Competitors

Pakistan's insurance market remained highly competitive across retail and corporate segments, with insurers competing on pricing, turnaround time, distribution reach, and service quality. TPL Insurance enhanced its competitive edge by strengthening reinsurance capacity and risk appetite support, enabling more confident underwriting. In addition, differentiation was reinforced by providing premium, relationship focused servicing for loyal and high value customers to improve retention and wallet share.

SIGNIFICANT CHANGES FROM PRIOR YEARS

TPL Insurance remained focused on innovation, diversification, and operational excellence. During the year, the Company accelerated its shift toward customer centric execution by enhancing premium service propositions, digitizing key customer journeys, strengthening data and AI capabilities, and expanding partnerships to drive broader market reach and penetration.

Premium Propositions for Priority Customers

TPL Insurance focused on priority customer segments by introducing bundled premium service designed specifically for SEC A+ segmented class. This approach enhanced value delivery through relationship building servicing, faster support, and customizable coverage structures supporting retention and stronger wallet share in high value segments.

Customer Journey Automation

A major step change in the digitization of customer journeys through CRM process redesign. Manual touchpoints were progressively converted into structured and automated workflows across key areas such as renewals, call center routing, follow ups, response time management, and service escalations. This improved turnaround times, increased visibility across teams, and strengthened service consistency through standard operating rhythms.

AI Enablement

The Company expanded practical AI implementations to improve productivity and decision support across functions. Initiatives included tools such as muzzle recognition for animal tagging, internal HR bots to retrieve relevant organizational information quickly, and AI-assisted support for proposal generation and policy documentation workflows. These capabilities enhanced team performance by reducing manual effort and improving speed and accuracy in routine operational tasks.

Market Visibility & Brand Image

TPL Insurance strengthened its market visibility and brand equity through a comprehensive website revamp, mobile app enhancements, and improved digital customer journeys. Focused digital marketing, dedicated campaign landing pages, and AI-enabled features helped simplify product communication, enhance customer engagement, and improve brand recall, supporting stronger digital performance and competitive differentiation during the year.

Micro Products through Embedded Distributions

To strengthen penetration and accessibility, the Company expanded micro product distribution through partnerships and alliances, including healthcare and service sectors to enable easier adoption and higher volume reach. Micro products are designed to be simple, low-ticket, easy to understand, and fast to issue, enabling mass adoption through partner channels

HEALTH INSURANCE

PAWSURANCE

CALENDAR OF MAJOR EVENTS

2025

January
- Signed an MOU with Suzuki Motorcycles for PSMC Motorcycles

February
- Board of Directors meeting to review and approve Annual Financial Statements for the year ended Dec 31, 2024
- Partnered with Kravemart to introduce Riders' Health Coverage

March
- Launched Pakistan's first priority insurance solution - Titania
- Signed an MOU with Master Motors

April
- Board of Directors meeting to review Condensed Financial Statements for the quarter ended Mar 31, 2025
- Annual General Meeting of the Shareholders of the Company
- Got "Honourable Mention" for the Jiyo Befikr campaign at Effie Awards.
- Strategic partnership with Kuickpay for embedded products on their platform

May
- PACRA maintained the IFS rating at AA
- Analyst Briefing Session for the Financial Year 2024.
- Collaboration with Jazz FikrFree to launch Micro Insurance products within their mobile application.
- Collaborated with Tasdeeq Pakistan for the distribution of insurance solutions.
- Partnered with Insuremart for Travel and Health insurance products

June
- Partnership signed with PTCL for Financial Guarantee solutions.
- Collaboration with Telemart to provide Mobile Screen Coverage.

July
- Partnership with Oladoc to offer health insurance products within their application.
- Collaboration with Webdoc to deploy Micro Health, Motor, and Miscellaneous insurance products for telecom partners.
- Partnership with Dvago for health insurance distribution.
- Successful go-live of Travel Takaful with Jazz Mosafir.

August
- Board of Directors meeting to review Condensed Financial Statements for the half year ended June 30, 2025.
- Onboarded ADMAA as an agent for Shop Insurance, enhancing outreach to SME and retail segments.
- MOU signed with Famewheels to offer Motor Insurance through their website.

September
- VEON Group Company Ltd announced of its intention to potentially acquire shares in and take control of TPL Insurance Ltd.
- Signed an MOU with United Automobiles (Jetour) for Motor Insurance.
Collaborated with AFT (Digitt+) to introduce
- Micro Insurance products within their digital application.
- Partnered with IATA to offer travel guarantees.

October
- Board of Directors meeting to review Condensed Financial Statements for the nine months ended Sep 30, 2025.
- Partnered with SkyElectric to offer embedded Solar Insurance solutions to their customers.

November
- Introduced Utility Bill Insurance, a pioneering product designed to cover customers' monthly utility expenses, addressing emerging protection needs.
- Partnered with SastaTicket to embed Travel Takaful on their mobile application.

December
- Board of Directors meeting to review and approve budget for the Year 2025
- Signed an MOU with Dongfeng (Chawla Green) for Motor Insuarnce and Insurance Gurantee

* During the year, all Board Meetings are held in Pakistan.

OTHER INFORMATION

BANKERS

- AL-Baraka Bank Limited
- Askari Bank Limited
- Bank Alfalah Limited
- Bank Al-Habib Limited
- Bank Islami Pakistan Limited
- Dubai Islamic Bank Pakistan Limited
- Faysal Bank Limited
- Habib Bank Limited
- Habib Metropolitan Bank limited
- JS Bank Limited
- Khushhali Microfinance Bank Limited
- MCB Bank Limited
- Meezan Bank Limited
- Mobilink Micro Finance Bank Limited
- National Bank of Pakistan
- Samba Bank Limited
- Soneri Bank Limited
- Bank Makramah limited
- Telenor Micro Finance Bank Limited
- The Bank of Punjab
- United Bank Limited
- Bank of Khyber
- Sindh Bank limited
- ABHI Microfinance Bank

AUDITORS

Grant Thornton , Anjum Rehman
Chartered Accountants

LEGAL ADVISOR

Lari & Co
Maritime & Insurance Advocates

SHARE REGISTRAR

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

REGISTERED OFFICE

20TH Floor, Sky Tower- East Wing
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+92-21-37130223

WEB PRESENCE

Website:	www.tplinsurance.com
Facebook:	insurancetpl
Instagram:	tplinsurance
Linkedin:	tplinsurance

HORIZONTAL ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Balance Sheet	2025	2024	2023	2022	2021	2020
	------------------- Rupees in million	-------------------				
Property and equipment	372.8	321.4	300.8	422.0	401.2	257.5
Investments	1,720.5	2081.76	2,256.5	1,740.0	1,390.4	920.8
Loans and other receivables	632.1	543.8	537.6	344.5	355.3	95.8
Insurance / reinsurance receivables	1,241.2	904	733.5	633.1	611.8	418.7
Reinsurance and other recoveries against outstanding claims	1,155.3	770.2	744.3	596.8	486.6	371.7
Deferred commission expense	263.0	298.53	260.6	238.9	181.2	179.5
Deferred taxation	31.8	-	4.70	-	-	16.4
Prepayments	416.6	547.1	474.2	413.8	305.1	319.3
Taxation - payments less provision	-	-	0.0	12.9	8.0	8.1
Cash and bank balances	2,995.4	2472.11	1,996.5	1,569.4	1,046.4	913.4
Total Assets	**8,828.8**	**7,939.0**	**7,308.7**	**5,971.4**	**4,786.0**	**3,501.2**
Issued, subscribed and paid up share capital	1986.4	1983.9	1,983.9	1,983.9	1,171.9	938.7
Accumulated (losses) / profits	622.03	481.1	459.9	(59.8)	(65.3)	(164.5)
Share premium - net of share issuance cost	42.8	42.8	42.8	42.8	221.2	8.0
Other capital reserves	124.6	124.6	124.6	124.6	77.6	24.1
Other comprehensive income reserve	(5.1)	110.25	69.6	107.5	189.0	(7.3)
Total Shareholders' Fund	**2,770.8**	**2,742.8**	**2,680.8**	**2,199.0**	**1,594.3**	**799.0**
Participant's Takaful Fund	17.7	7.7	(42.6)	(54.7)	(67.5)	41.4
Total Equity	**2,788.5**	**2,750.5**	**2,638.2**	**2,144.3**	**1,526.8**	**840.4**
Provision for outstanding claims [including IBNR]	1,347.3	1,051.8	952.5	827.0	574.2	525.3
Provision for unearned premium	2,694.8	2,442.7	2,023.8	1,888.9	1,688.8	1,379.7
Premium deficiency reserves	6.3	11.0	9.0	-	3.4	2.5
Deferred commission income	92.0	130.9	90.6	79.6	63.0	63.3
Deferred taxation	-	37.2	-	10.4	36.9	-
Premiums received in advance	4.5	12.3	5.3	22.8	26.5	18.0
Insurance / reinsurance payables	460.8	463.2	430.4	380.4	322.0	275.0
Other creditors and accruals	1,166.0	716.1	840.0	382.7	345.0	267.4
Taxation - provision less payments	145.8	183.0	188.7	-	-	-
Lease liability against right-of-use asset	122.8	140.0	130.2	235.3	199.4	129.6
Total Shareholders' Equity and Liabilities	**8,828.8**	**7,939.0**	**7,308.7**	**5,971.4**	**4,786.0**	**3,501.2**

Profit and Loss Account	2025	2024	2023	2022	2021	2020
	------------------- Rupees in million	-------------------				
Net insurance premium (Net of Premium Deficiency Reserve)	4,298.6	3,422.10	3,075.70	2,970.4	2,397.6	2,162.6
Net Insurance claims	(2,167.5)	(1,656.3)	(1,506.4)	(1,415.4)	(1,112.7)	(970.1)
Net commission expense	(401.9)	(350.7)	(301.4)	(269.1)	(221.5)	(198.1)
Management expenses	(1,640.8)	(1,378.2)	(1,422.8)	(1,100.6)	(945.5)	(878.1)
Underwriting results	**88.4**	**36.9**	**(154.9)**	**185.3**	**117.9**	**116.3**
Investment income	207.4	388.8	445.5	84.9	78.7	90.5
Other income	141.3	78.9	86.2	61.8	32.2	113.5
Financial charges	(27.3)	(29.0)	(24.7)	(30.9)	(26.8)	(35.2)
Other expenses	(354.0)	(331.0)	(258.4)	(236.0)	(207.1)	(205.6)
Surplus on merger	-	-	1,078.9	-	-	-
Profit / (Loss) before tax for the year	**55.8**	**144.7**	**1,172.6**	**65.1**	**(5.2)**	**79.4**
Taxation	1.8	(73.1)	(45.5)	(46.8)	(4.5)	(39.7)
Profit / (Loss) after tax	**57.6**	**71.6**	**1,127**	**18.3**	**(9.7)**	**39.7**
Profit / (Loss) after tax attributable to shareholders	**47.7**	**21.3**	**1,114.9**	**5.5**	**99.2**	**76.8**
Profit / (Loss) after tax attributable to PTF	**9.96**	**50.3**	**12.1**	**12.8**	**(108.9)**	**90.2**

VERTICAL ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

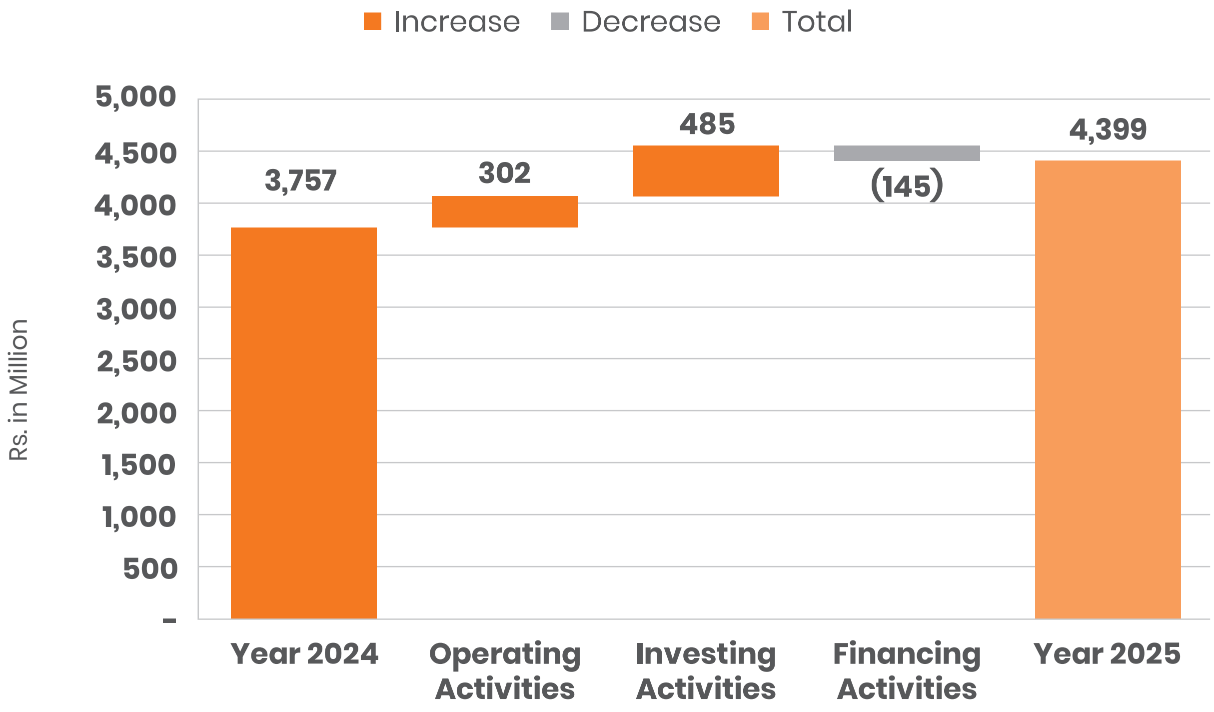
Balance Sheet	2025	2024	2023	2022	2021	2020
Property and equipment	4.2%	4.1%	4.1%	7.1%	8.4%	7.4%
Investments	19.5%	26.2%	30.9%	29.1%	29.1%	26.3%
Loans and other receivables	7.2%	6.9%	7.4%	5.8%	7.4%	2.7%
Insurance / reinsurance receivables	14.1%	11.4%	10.0%	10.6%	12.8%	12.0%
Reinsurance and other recoveries against outstanding claims	13.1%	9.7%	10.2%	10.0%	10.2%	10.6%
Deferred commission expense	3.0%	3.8%	3.6%	4.0%	3.8%	5.1%
Deferred taxation	0.4%	0.0%	0.1%	0.0%	0.0%	0.5%
Prepayments	4.7%	6.9%	6.5%	6.9%	6.4%	9.1%
Taxation - payments less provision	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%
Cash and bank balances	33.9%	31.1%	27.3%	26.3%	21.9%	26.1%
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Issued, subscribed and paid up share capital	22.5%	25.0%	27.1%	33.2%	24.5%	26.8%
Accumulated (losses) / profits	7.1%	6.1%	6.3%	-1.0%	-1.4%	-4.7%
Share premium - net of share issuance cost	0.5%	0.5%	0.6%	0.7%	4.6%	0.2%
Other capital reserves	1.4%	1.6%	1.7%	2.1%	1.6%	0.7%
Other comprehensive income reserve	-0.2%	1.4%	1.0%	1.8%	4.0%	-0.2%
Total Shareholders' Fund	**31.3%**	**34.6%**	**36.7%**	**36.8%**	**33.3%**	**22.8%**
Participant's Takaful Fund	0.2%	0.1%	-0.6%	-0.9%	-1.4%	1.2%
Total Equity	**31.6%**	**34.7%**	**36.1%**	**35.9%**	**31.9%**	**24.0%**
Provision for outstanding claims [including IBNR]	15.3%	13.3%	13.0%	13.9%	12.0%	15.0%
Provision for unearned premium	30.5%	30.8%	27.7%	31.6%	35.3%	39.4%
Deferred commission income	1.0%	1.7%	1.2%	1.3%	1.3%	1.8%
Premium deficiency reserves	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%
Deferred taxation	0.0%	0.5%	0.0%	0.2%	0.8%	0.0%
Premiums received in advance	0.1%	0.2%	0.1%	0.4%	0.6%	0.5%
Insurance / reinsurance payables	5.2%	5.8%	5.9%	6.4%	6.7%	7.9%
Other creditors and accruals	13.2%	9.0%	11.5%	6.4%	7.2%	7.6%
Taxation - provision less payments	1.7%	2.3%	2.6%	0.0%	0.0%	0.0%
Lease liability against right-of-use asset	1.4%	1.8%	1.8%	3.9%	4.2%	3.7%
Total Shareholders' Equity and Liabilities	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Profit and Loss Account	2025	2024	2023	2022	2021	2020
Net insurance premium (Net of premium deficiency reserve)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Net Insurance claims	-50.4%	-48.4%	-49.0%	-47.7%	-46.4%	-44.9%
Net commission expense	-9.4%	-10.3%	-9.8%	-9.1%	-9.2%	-9.2%
Management expenses	-38.2%	-40.3%	-46.3%	-37.1%	-39.4%	-40.6%
Underwriting results	**2.1%**	**1.1%**	**-5.0%**	**6.2%**	**4.9%**	**5.4%**
Investment income	4.8%	11.4%	14.5%	2.9%	3.3%	4.2%
Other income	3.3%	2.3%	2.8%	2.1%	1.3%	5.3%
Financial charges	-0.6%	-0.9%	-0.8%	-1.0%	-1.1%	-1.6%
Other expenses	-8.2%	-9.7%	-8.4%	-8.0%	-8.6%	-9.5%
Surplus on merger	0.0%	0.0%	35.1%	0.0%	0.0%	0.0%
Profit / (Loss) before tax for the year	**1.3%**	**4.2%**	**38.1%**	**2.2%**	**-0.2%**	**3.7%**
Profit before tax from Window Takaful Operations	-0.2%	-1.5%	-0.4%	-0.4%	4.5%	-4.2%
Taxation	0.0%	-2.1%	-1.5%	-1.6%	-0.2%	-1.8%
Profit / (Loss) after tax	**1.3%**	**2.1%**	**36.6%**	**0.6%**	**-0.4%**	**1.8%**

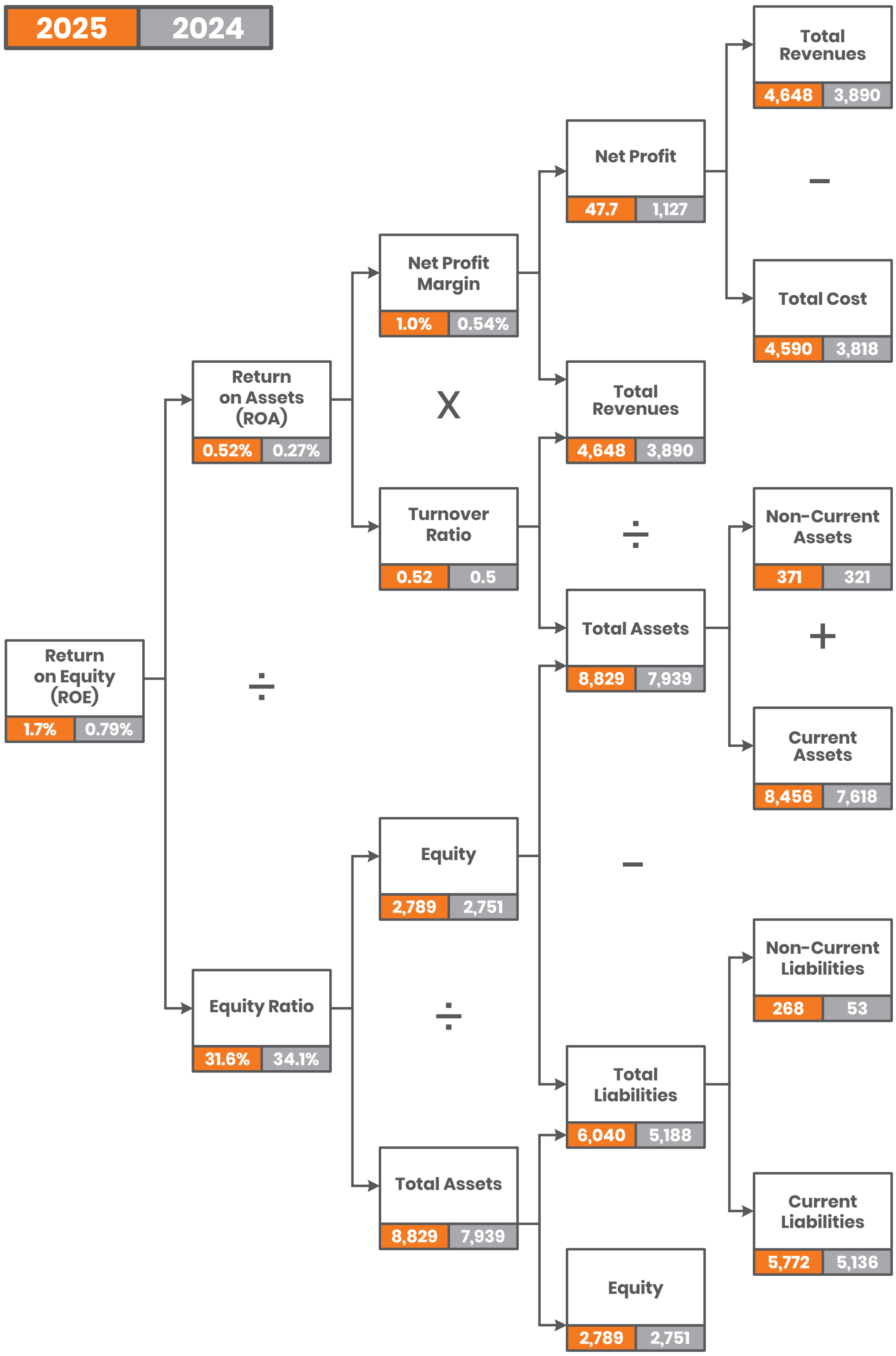
CASHFLOW ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024	2023	2022	2021	2020
	--------------------Rs. In Million--------------------					
Net Cashfows from Operating Activities	302.1	242.7	(76.9)	321.4	(36.3)	494.2
Net Cashflows from Investing Activities	485.3	519.8	1,553.3	277.9	165.0	(418.1)
Net Cashflows from Financing Activities	(145.1)	(348.2)	(529.7)	420.0	259.3	(210.1)
Net Cash Inflow / (Outflow)	**642.3**	**414.4**	**946.7**	**1,019.3**	**388.0**	**(134.0)**
Cash and cash equivalent at the start of the year	3,756.8	3,342.4	2,395.7	1,376.4	988.4	1,122.4
Cash and cash equivalent at the end of the year	**4,399.1**	**3,756.8**	**3,342.4**	**2,395.7**	**1,376.4**	**988.4**

CASH & CASH EQUIVALENT



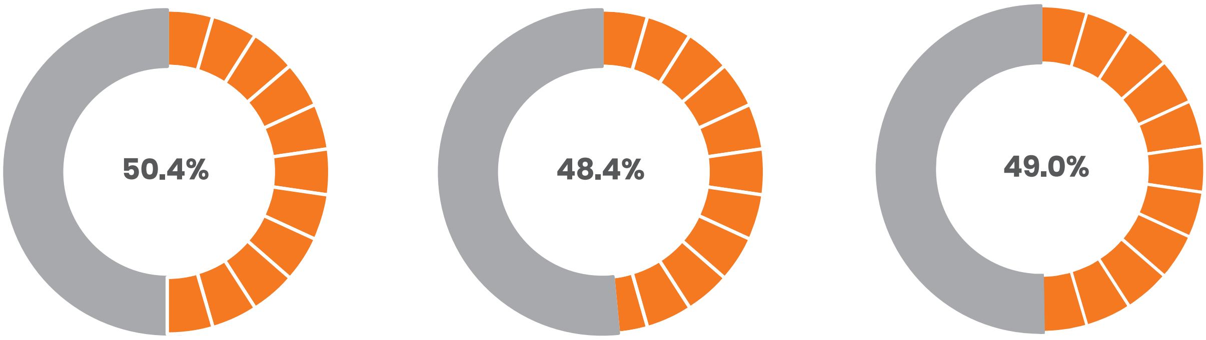
DUPONT ANALYSIS



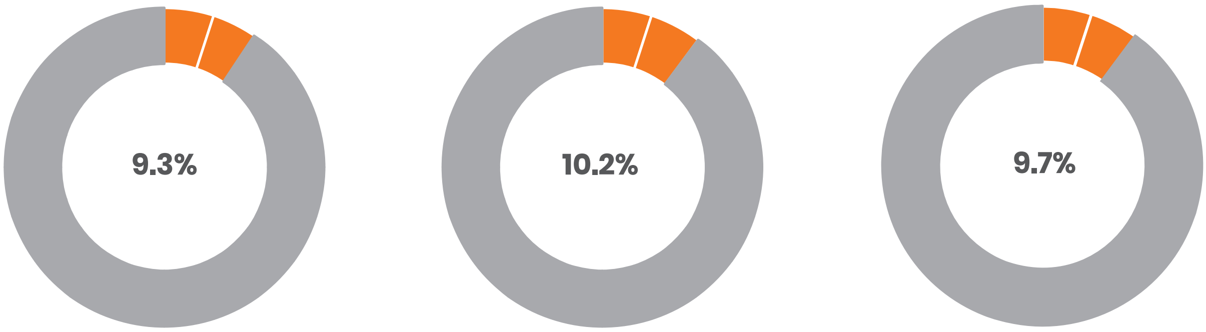
RATIO ANALYSIS

2025	2024	2023

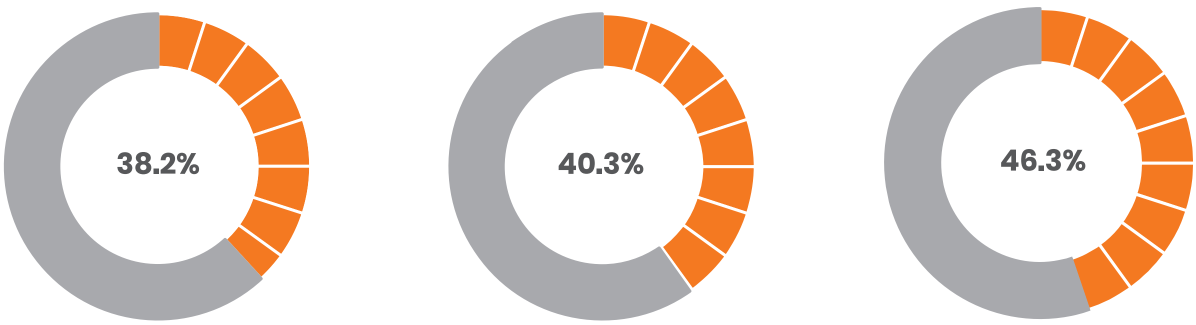
Claim Ratio %



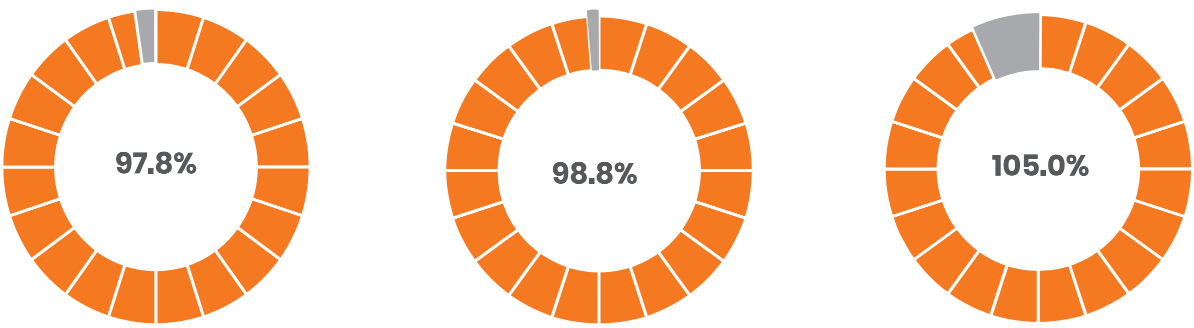
Commission Ratio %



Management Expense Ratio %



Combined Ratio %



RATIO ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024	2023	2022	2021	2020
Profitability							
Profit Before Tax / Gross Premium	%	1.0%	2.9%	28.7%	1.7%	-0.2%	2.9%
Profit Before Tax / Net Premium	%	1.3%	4.2%	38.1%	2.2%	-0.2%	3.7%
Profit After Tax / Gross Premium	%	0.8%	0.4%	27.3%	0.1%	3.0%	-1.8%
Profit After Tax / Net Premium	%	1.1%	0.6%	36.3%	0.2%	4.1%	-2.3%
Underwriting Result / Gross Premium	%	1.5%	0.7%	-3.8%	4.8%	3.6%	4.2%
Underwriting Result / Net Premium	%	2.1%	1.1%	-5.0%	6.2%	4.9%	5.4%
Profit Before Tax / Total Income	%	1.2%	3.7%	32.5%	2.1%	-0.2%	3.4%
Profit After Tax / Total Income	%	1.0%	0.5%	30.9%	0.2%	4.0%	-2.1%
Combined ratio	%	98.1%	98.9%	105.0%	93.8%	95.1%	94.6%
Reinsurance premium ceded on gross premium (%)	%	18.5%	24.5%	22.8%	19.8%	17.6%	19.1%
Reinsurance claim recovery percentage	%	32.1%	33.0%	30.1%	34.6%	32.2%	32.1%
Retention ratio	%	81.5%	75.5%	77.2%	80.2%	82.4%	80.9%
Net Claims / Net Premium	%	50.5%	48.4%	49.0%	47.7%	46.4%	44.9%
Management Expenses / Net Premium	%	38.2%	40.3%	46.3%	37.1%	39.4%	40.6%
Net Profit Margin	%	1.0%	0.5%	30.9%	0.2%	4.0%	-2.1%
Return to Shareholders							
Return on Equity	%	1.7%	0.8%	42.3%	0.3%	6.5%	-6.0%
Return on Capital Employed	%	1.8%	0.9%	45.4%	0.3%	7.6%	-7.1%
Return on Assets	%	0.5%	0.3%	15.3%	0.1%	2.1%	-1.4%
Earnings / (Loss) Per Share attributable to Shareholders' Fund	Rs.	0.24	0.11	5.62	0.03	0.85	0.82
Price Earning Ratio	Times	96.3	109.8	2.6	609.7	35.1	37.0
Price to Book Ratio	Times	1.7	0.9	1.1	1.5	2.2	3.6
Breakup value per share	Rs.	13.9	13.8	13.5	11.1	13.6	8.5
Market Data							
Market Price per share at the end of the year	Rs.	23.1	11.79	14.5	16.8	29.7	30.3
Market Price per share - Highest during the year	Rs.	25.9	20.0	22.2	34.9	44.5	35.8
Market Price per share - Lowest during the year	Rs.	7.6	9.1	13.2	15.4	23.4	16.0
Performance / Liquidity							
Current Ratio	Times	1.5	1.5	1.5	1.4	1.3	1.3
Cash / Current Liabilities	%	51.9%	48.1%	44.8%	42.7%	31.5%	34.3%
Total Assets Turnover	Times	0.5	0.5	0.5	0.5	0.5	0.7
Fixed Assets Turnover	Times	12.5	12.1	12.0	7.4	6.3	9.2
Total Liabilities / Equity	Times	2.2	1.9	1.8	1.8	2.1	3.2
External liability ratio	%	68%	65%	64%	64%	68%	76%
Cashflow from Operations Margin	%	7.0%	7.1%	-2.5%	10.8%	-1.5%	22.9%
No. Of days in Premium Receivable	Days	79	66	66	60	68	56
No. Of days in Claim Settlement	Days	32	62	50	59	29	58
Paid-up Capital / Total Assets	%	22.5%	25.0%	27.1%	33.2%	24.5%	26.8%
Earning assets / Total Assets	%	53.4%	57.4%	58.2%	55.4%	50.9%	52.4%
Shareholders' Equity / Total Assets	%	31.4%	34.5%	36.7%	36.8%	33.3%	22.8%

COMMENTS ON KEY FINANCIAL DATA

Performance Ratios

- Claim ratio increased by 2% from 48% to 50%.
- Commission ratio improved by 1% at 9% in comparison to last year.
- Expense ratio improved from 40.3% to 38.2% during the year.
- Combined ratio improved by 1% to 97.8% against last year at 98.8%

Balance sheet

- The Company's total assets have grown 1.5X to Rs. 8.82 billion at the end of 2025 from Rs. 3.5 billion at the end of 2020.
- Shareholders' equity has increased by over Rs. 1.97 billion to Rs. 2.770 billion over the past 6 years.

Profit and loss Account

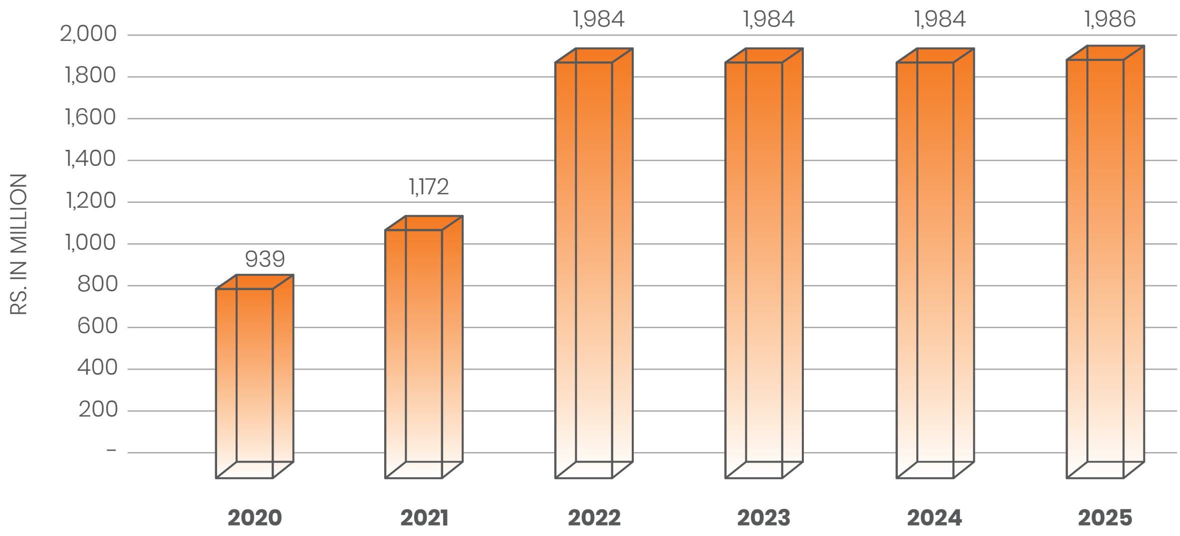
- The gross and net premium have reported growth of 109% and 98% respectively over the period of six years. During the year, gross and net written premium have reported growth of 15% and 26% respectively.

Cash Flows

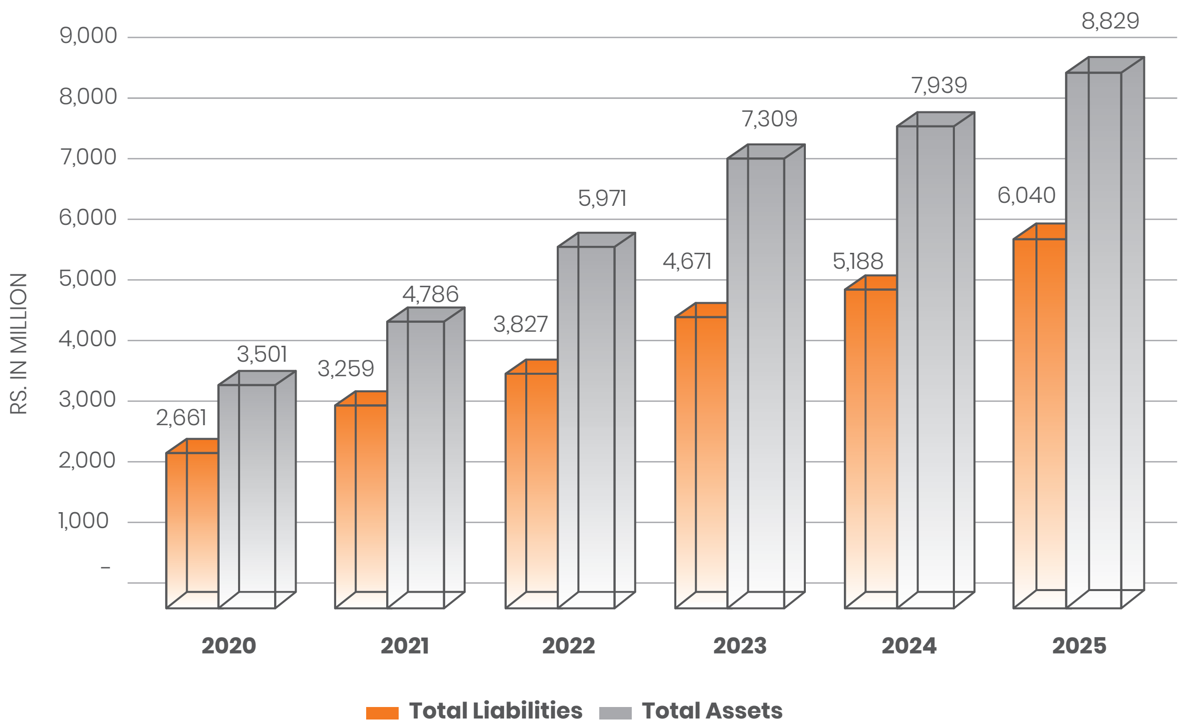
- During the year, the Company generated net operating cash flow of Rs. 302 million. The company maintains strong liquidity position to carry out its operations smoothly.

PERFORMANCE AT A GLANCE

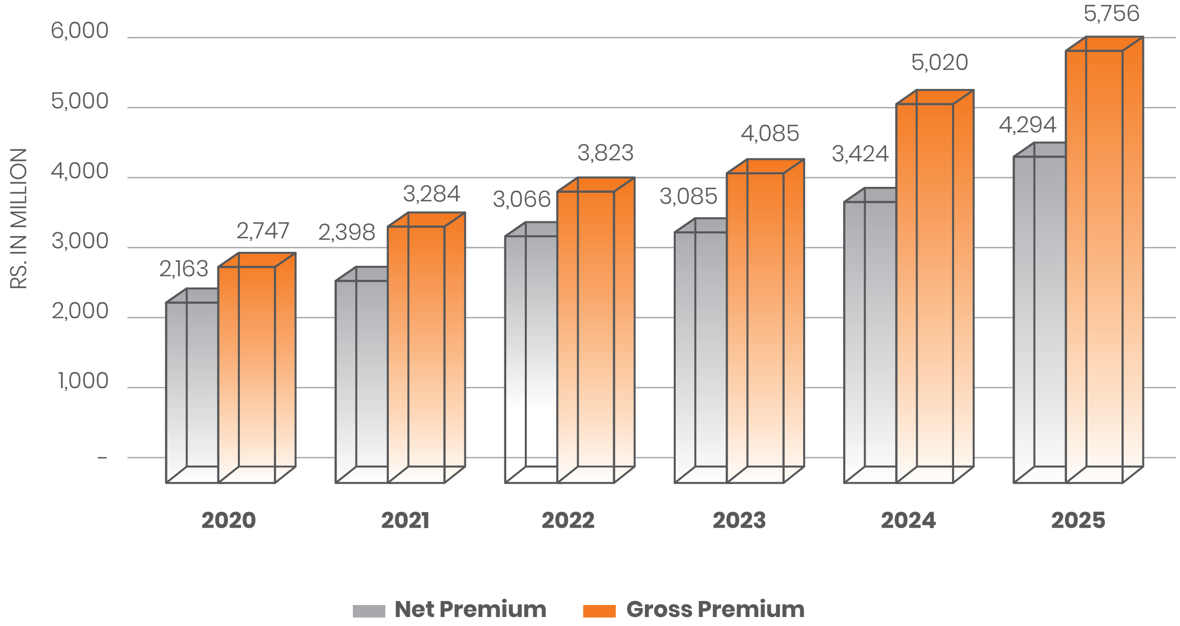
SHARE CAPITAL



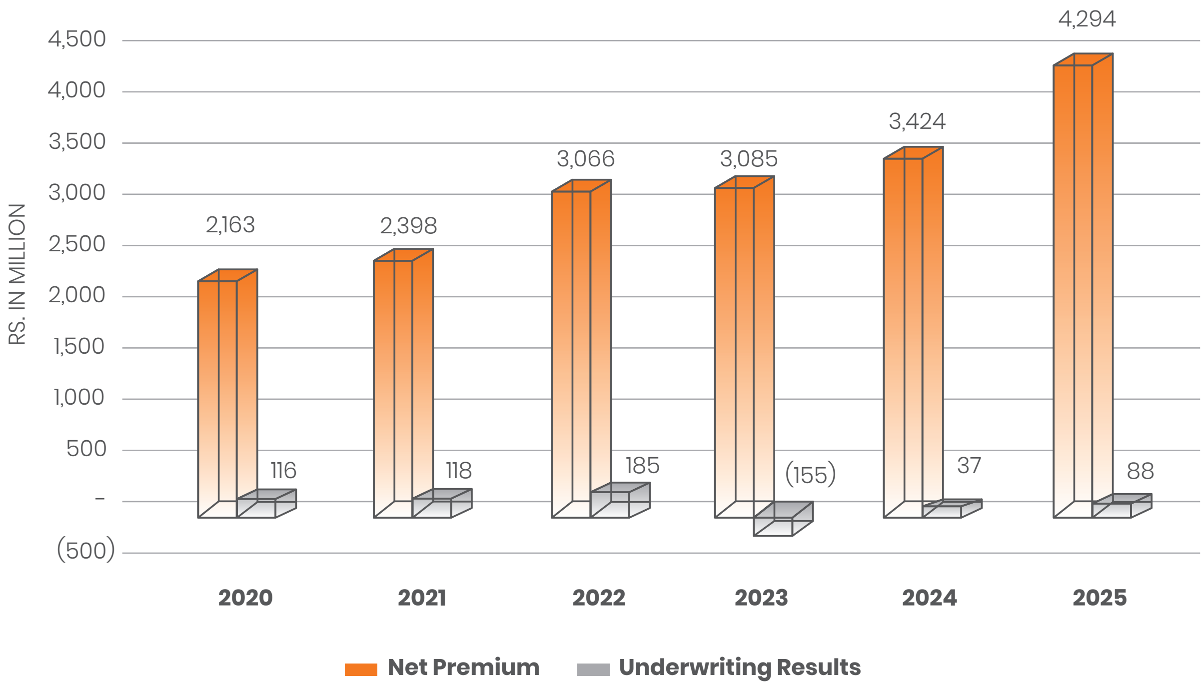
ASSETS AND LIABILITIES



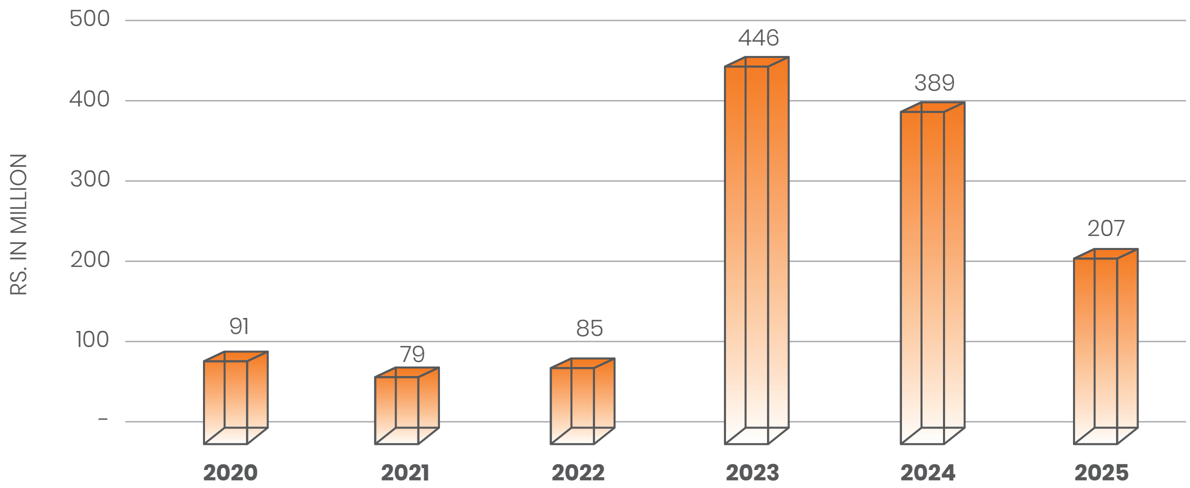
GROSS PREMIUM VS. NET PREMIUM



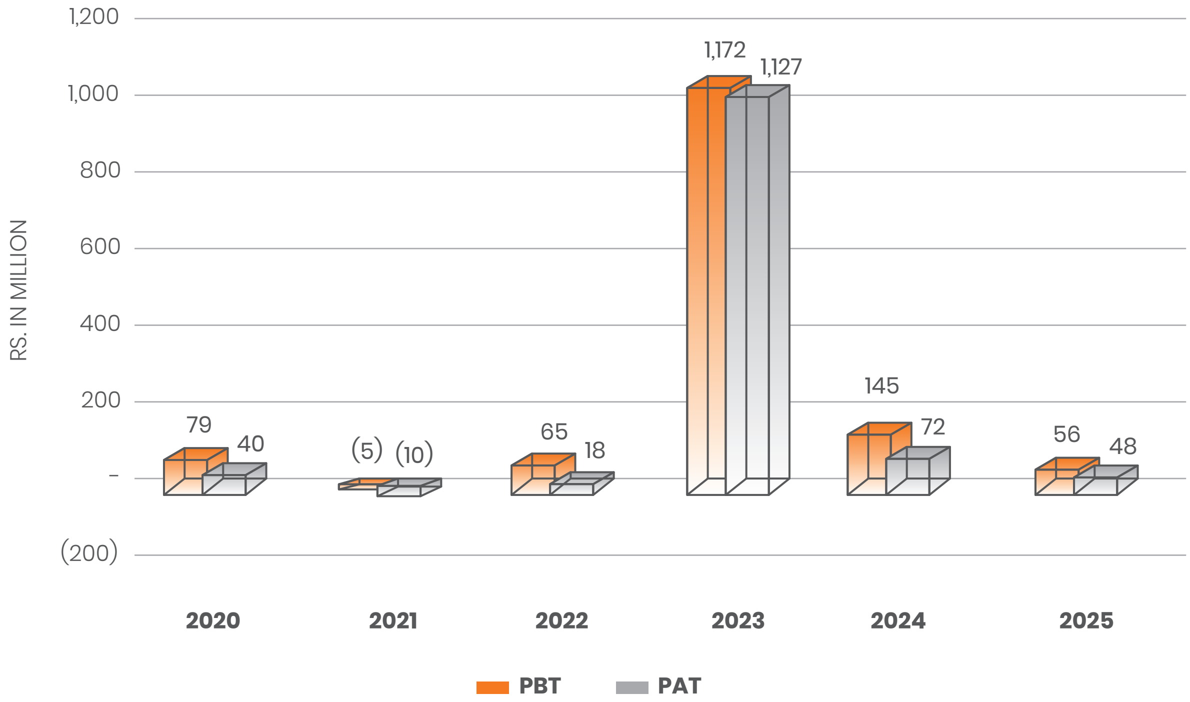
NET PREMIUM VS. UNDERWRITING RESULTS



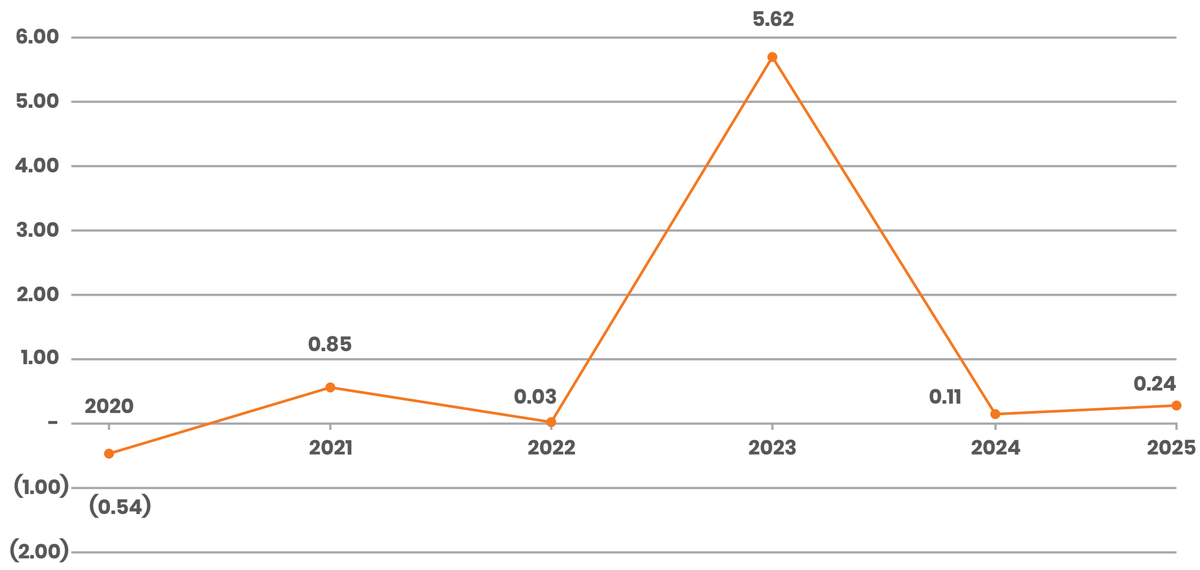
INVESTMENT INCOME



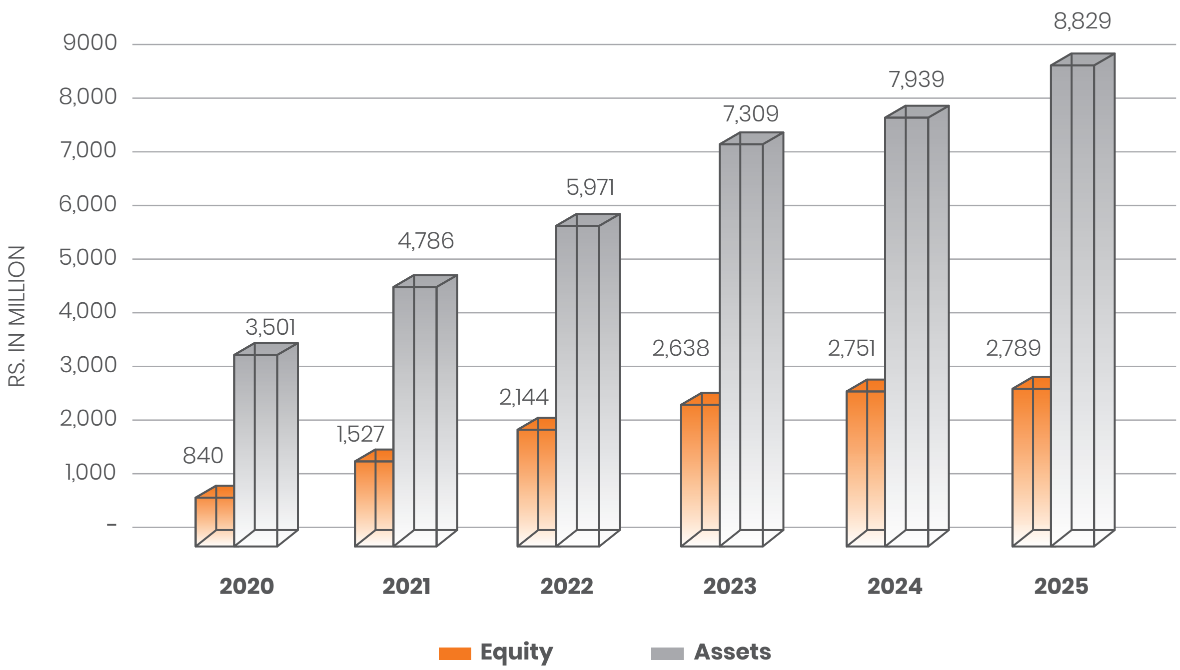
PBT VS. PAT



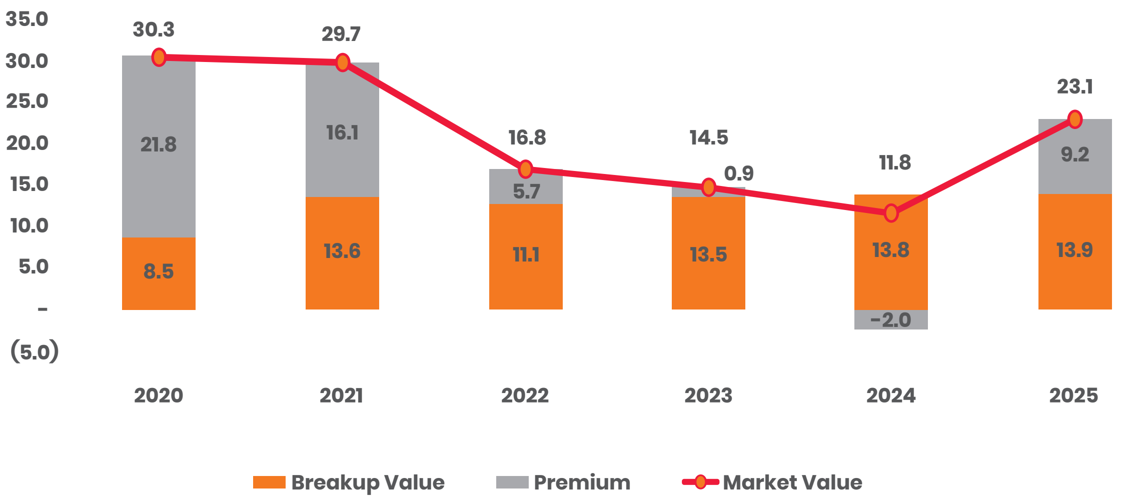
EARNING PER SHARE (RUPEES)



EQUITY VS. TOTAL ASSETS



BREAKUP VALUE VS. MARKET VALUE (RUPEES)



SHARE PRICE SENSITIVITY ANALYSIS

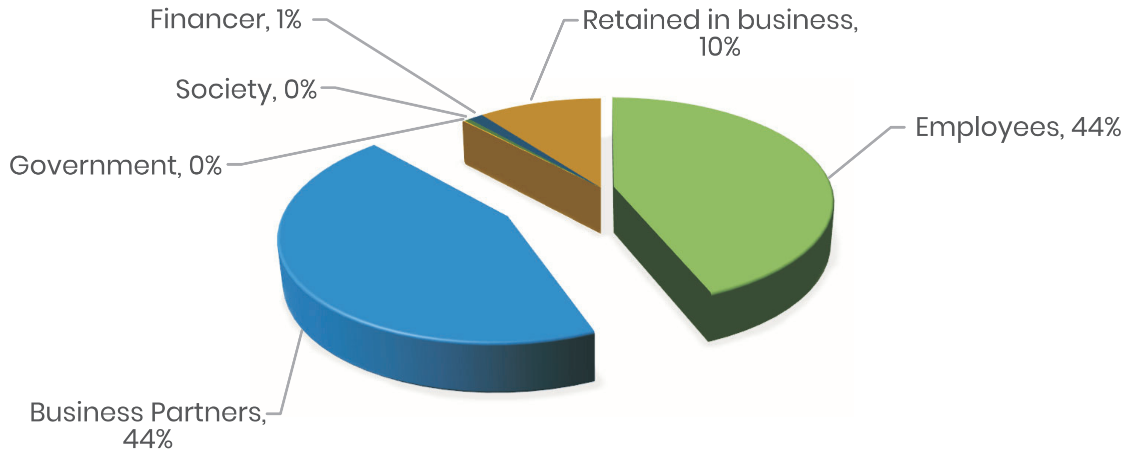
	Max Price (Rs.)	Min Price (Rs.)	Average Volume	Closing Price (Rs.)
January	12.39	9.65	19,205	9.92
February	10.39	9.25	4,711	9.97
March	10.18	9.03	3,705	9.6
April	9.89	8.15	12,019	8.21
May	8.89	7.60	7,579	8.22
June	10.17	8.03	48,962	9.95
July	10.08	8.00	904,892	8.31
August	15.02	8.00	880,232	15.02
September	23.11	16.01	3,054,178	17.15
October	23.50	16.76	346,209	21.5
November	25.88	19.70	256,204	21.04
December	24.80	19.51	316,344	23.1

STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2025		2024	
Wealth Generated	**(Rupees)**	**%**	**(Rupees)**	**%**
Net premium earned	4,293,837,732		3,424,144,365	
Reversal of premium deficiency reserve	4,782,148		-	
Commission from reinsurers	289,445,602		238,322,754	
Investment and other income	348,677,312		467,771,355	
	4,936,742,795		4,130,238,474	
Less: Claims, Expenses and charge of premium deficiency reserve (excluding employees remuneration, donation, depreciation and taxes)	(2,718,282,032)		(2,123,836,380)	
	2,218,460,762	**100%**	**2,006,402,160**	**100%**

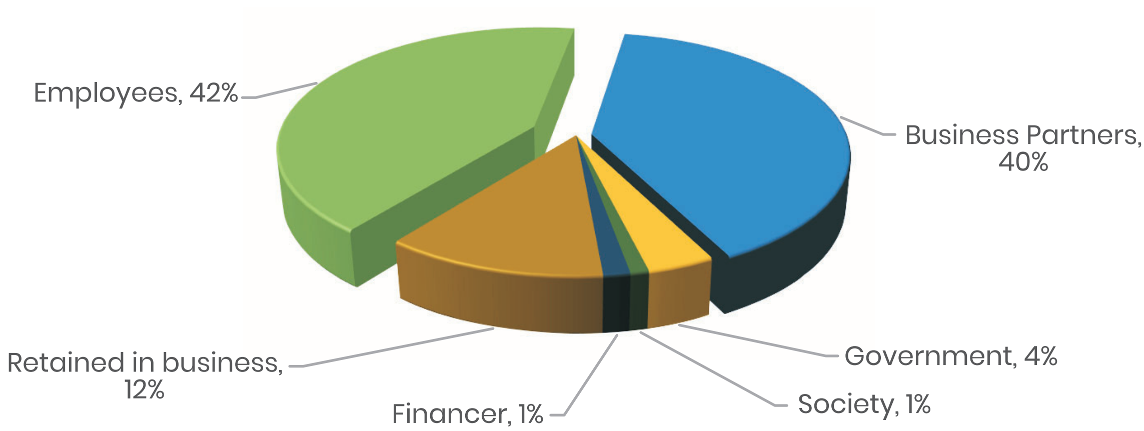
	2025		2024	
Wealth Distributed	**(Rupees)**	**%**	**(Rupees)**	**%**
To employees	965,195,241	44%	842,520,504	42%
To business partners	975,411,943	44%	801,311,556	40%
To government	-	0%	73,071,470	4%
To society	10,795,397	0%	20,234,854	1%
To financer	27,305,122	1%	28,984,846	1%
Retained in business				
Depreciation and amortization	192,077,158	8%	168,651,155	8%
Retained profit / loss	47,675,902	2%	71,627,782	4%
	239,753,060	10%	240,278,937	12%
	2,218,460,763	**100%**	**2,006,402,166**	**100%**

2025



Financer, 1%
Retained in business, 10%
Society, 0%
Employees, 44%
Government, 0%
Business Partners, 44%

2024



Employees, 42%
Business Partners, 40%
Retained in business, 12%
Government, 4%
Society, 1%
Financer, 1%

STATEMENT OF CHARITY ACCOUNT

Particular	2025	2024	2023
	------ Rupees in Million ------		
Education	1.41	1.95	1.68
General Donations	0.71	2.07	1.84
Health Care and Environment	6.40	16.21	30.25
Total	**8.5**	**20.23**	**33.77**

STAKEHOLDERS' ENGAGEMENT

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

Minority Shareholders

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

Customers

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

Banks

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

Media

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

Regulators

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

Analysts

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

Steps taken by the Board towards Stakeholders' Engagement:

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

ISSUES RAISED IN THE LAST AGM AND DECISIONS TAKEN

No major issues were raised by the shareholders during the last Annual General Meeting (the "Meeting") held on April 30, 2025. The following matters were taken up in the meeting as per the agenda, and were approved and the decisions taken were implemented in due course:

ORDINARY BUSINESS:

1. To approve the minutes of the Annual Meeting held on April 25, 2024.

   "RESOLVED THAT the minutes of the Annual Meeting of TPL Insurance Limited held on April 25, 2024 at 11:30 am be and are hereby approved."

2. To receive, consider and adopt the Annual Audited Financial Statements of the Company together with the Directors', Auditors' and Chairman's Review Report thereon for the year ended December 31, 2024.

   "RESOLVED THAT the Annual Audited Financial Statements of TPL Insurance Limited, together with the Chairman's Review Report, Directors' and Auditors' Report thereon for the year ended 31 December 2024 be and are hereby approved."

3. To appoint Auditors for the year ending 31 December 2025, and fix their remuneration. M/s. BDO Ebrahim & Co., Chartered Accountants have retired. The Board of Directors, on the recommendation of the Audit Committee, proposes the appointment of M/s. Grant Thornton Anjum Rahman, Chartered Accountants, as the auditors of the Company for the year ending 31 December 2025.

   "RESOLVED THAT M/s. Grant Thornton Anjum Rahman, Chartered Accountants be and are hereby appointed as Auditors of TPL Insurance Limited on the basis of consent received from them, at a fee mutually agreed for the period ending 31 December, 2025."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company for renewal of advance of Rs. 300 million to the associated company, TPL Trakker Limited.

   "RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized for renewal of advance of Rs. 300 million to the associated company TPL Trakker Limited."

5. To consider and if thought fit, to pass with or without modification, ordinary resolution for revision of remuneration of non-executive directors, as determined by the Board of Directors of the Company, from PKR 100,000/- to PKR 150,000/- per Board Meeting.

   "RESOLVED THAT pursuant to Section 170 of the Companies Act, 2017 read along with Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors of the Company, for the revision of remuneration of non-executive directors of the Company from PKR 100,000/- to PKR 150,000/- per Board Meeting."

STATEMENT OF ADHERENCE WITH THE INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

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

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

In the Annual Report 2025, we have covered the following elements of the International Integrated Reporting Framework.

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

In the future, we will continue to make improvements to this report to make it even easier to understand, while considering the opinions of stakeholders regarding this report.

SHARIAH ADVISOR'S PROFILE

MUFTI MUHAMMAD TALHA IQBAL

Mufti Muhammad Talha Iqbal is a qualified and certified Islamic scholar and recognized Mufti from **Jamia Darul Uloom Karachi,** a premier institution of Pakistan for quality religious education who leading institute for promoting Islamic Economics and finance as it setting up the guidelines of Islamic Banking and Takaful System.

He has Takhassus fil Ifta / specialization in Fatwa (Islamic jurisprudence) and has vast experience in Islamic Fiqh and Islamic banking and Finance to provide solutions in corporate related matters in the light of Shariah Principles.

Mufti Talha has expertise on Shariah Standards and Takaful as he has completed and awarded degree of PGD from Centre for Islamic Economics (CIE).

He serves as teacher of Dars e Nizami at Jamiah Darul uloom Karachi since 2006 till date and is also faculty member of Centre for Islamic Economics (CIE) since 2010.

Currently he serves as Shariah Advisor of TPLI (WTO) since 2020

COMPOSITION OF BOARD AND MANAGEMENT COMMITTEES

A. At present the Board includes:

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

B. Board Committees

1) Ethics, HR, Remuneration and Nomination Committee

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

2) Investment Committee

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

3) Audit Committee

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

C. Management Committees

1) Underwriting Committee

Aqueel Merchant	Chairman
Syed Ali Hassan Zaidi	Member
Shumail Iqbal	Secretary

2) Claim Settlement Committee

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

3) Reinsurance & Coinsurance Committee

Aqueel E. Merchant	Chairman
Syed Ali Hassan Zaidi	Member
Muhammad Aminuddin	Member
Zia Mehdi	Secretary

4) Risk Management & Compliance Committee

Ayla Majid	Chairperson
Naila Kassim	Member
Muhammad Aminuddin	Member
Compliance Officer	Member
Benjamin Brink	Member
Syed Ali Hassan Zaidi	Secretary

TERMS OF REFERENCE - BOARD AND MANAGEMENT COMMITTEES

1. Audit Committee

The Audit Committee is responsible for:

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

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

(c) reviewing preliminary announcements of results prior to publication;

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

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

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

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

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

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

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

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

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

(m) determination of compliance with relevant statutory requirements;

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

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

2. Ethics, Human Resource, Remuneration and Nominations Committee

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

(a) proposing a remuneration approach and related policies;

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

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

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

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

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

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

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

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

3. Investment Committee

The Investment Committee is responsible for:

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

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

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

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

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

4. Risk Management and Compliance Committee

The Risk Management Committee is responsible for:

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

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

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

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

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

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

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

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

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

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

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

5. Underwriting Committee

The Underwriting Committee is responsible for:

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

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

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

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

6. Claims Settlement Committee

The Claims Settlement Committee is responsible for:

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

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

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

(d) reviewing claims for suggesting corrective underwriting measures;

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

7. Reinsurance and Coinsurance Committee

The Reinsurance and Coinsurance Committee is responsible for:

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

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

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

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

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

DIRECTORS TRAINING PROGRAMME

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

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

1. Mr. Rana Assad Amin
2. Mr. Jameel Yusuf Ahmed
3. Ms. Ayla Majid
4. Mr. Aqueel E. Merchant
5. Ms. Naila Kassim

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

1. Mr. Ali Jameel

OTHER DIRECTORSHIPS OF COMPANYS' DIRECTORS

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

As of December 31, 2025

No.	Name	Company	Designation
1.	Muhammad Ali Jameel	National Management Consultancy Services (Private) Limited	Director
		TPL Investment Management LLC	Director
		TPL Logistic Park (Private) Limited	Director
		Trakker Middle East	Director
		TPL Corp Limited	Director
		TPL Developments (Private) Limited	Director
		TPL Properties Limited	Director
		TPL REIT Management Company Limited	Director
		HKC (Private) Limited	Director
		TPL Holdings (Private) Limited	Director
		TPL Property Management (Private) Limited	Director
		TPL Security Services (Private) Limited	Director
		TPL Technology Zone Phase 1 (Private) Limited	Director
		TPL REIT Fund I	Director
		TPL Life Insurance Limited	Director
2.	Aqueel E. Merchant	Habib Investment Limited, Dubai	Chairman
		Agriauto Industries Limited	Director
		Habgen Guargums Limited	Chairman
		Mehnaz Fatima Foundation	Director
3.	Benjamin Brink	DEG- Bangkok Metropolitan Area, Thailand	Director
4.	Jameel Yusuf	TPL Corp Limited	Chairman/Director
		TPL Properties Limited	Chairman/Director
		TPL Trakker Limited	Chairman/Director
		TPL Holdings (Private) Limited	Chairman
		TPL Life Insurance Limited	Director
		TPL REIT Management Company Limited	Director
5.	Naila Kassim	Fauji Cement Company Limited (FCCL)	Director
6.	Ayla Majid	Abbott Laboratories (Pakistan) Ltd	Director
		Siemens Pakistan Engineering Limited	Director
		Planetive	Founder

ROLE OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Chairman

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

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

Chief Executive Officer

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

- to lead, in conjunction with the Board, the development of the Company's strategy;
- to lead and oversee the implementation of the Company's long and short term plans in accordance with its strategy;
- to ensure the Company is appropriately organised and appropriately staffed and to enable it to achieve the approved strategy;
- to assess the principal risks of the Company and to ensure that these risks are being monitored and managed;
- to ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically;
- to ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever/ whenever it does business;

- to act as a liaison between management and the Board and to provide information to the Board to enable the Directors to form appropriate judgments;
- to communicate effectively with shareholders, employees, Government authorities, other stakeholders and the public;
- to keep abreast of all material undertakings and activities of the Company and all material external factors affecting the Company, and ensure the integrity of all public disclosures by the Company;
- in concert with the Chairman, to develop focused agendas to be discussed by the Board in its meetings;
- to request that special or general meetings of the Board and shareholders be called when appropriate;
- to sit on committees of the Board where appropriate as determined by the Board;
- to abide by specific internally established control systems and authorities, to lead by personal example and encourage all employees to conduct their activities in accordance with all applicable laws and the Company's standards and policies, including its environmental, safety and health policies.

POLICY OF RELATED PARTY TRANSACTIONS

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

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

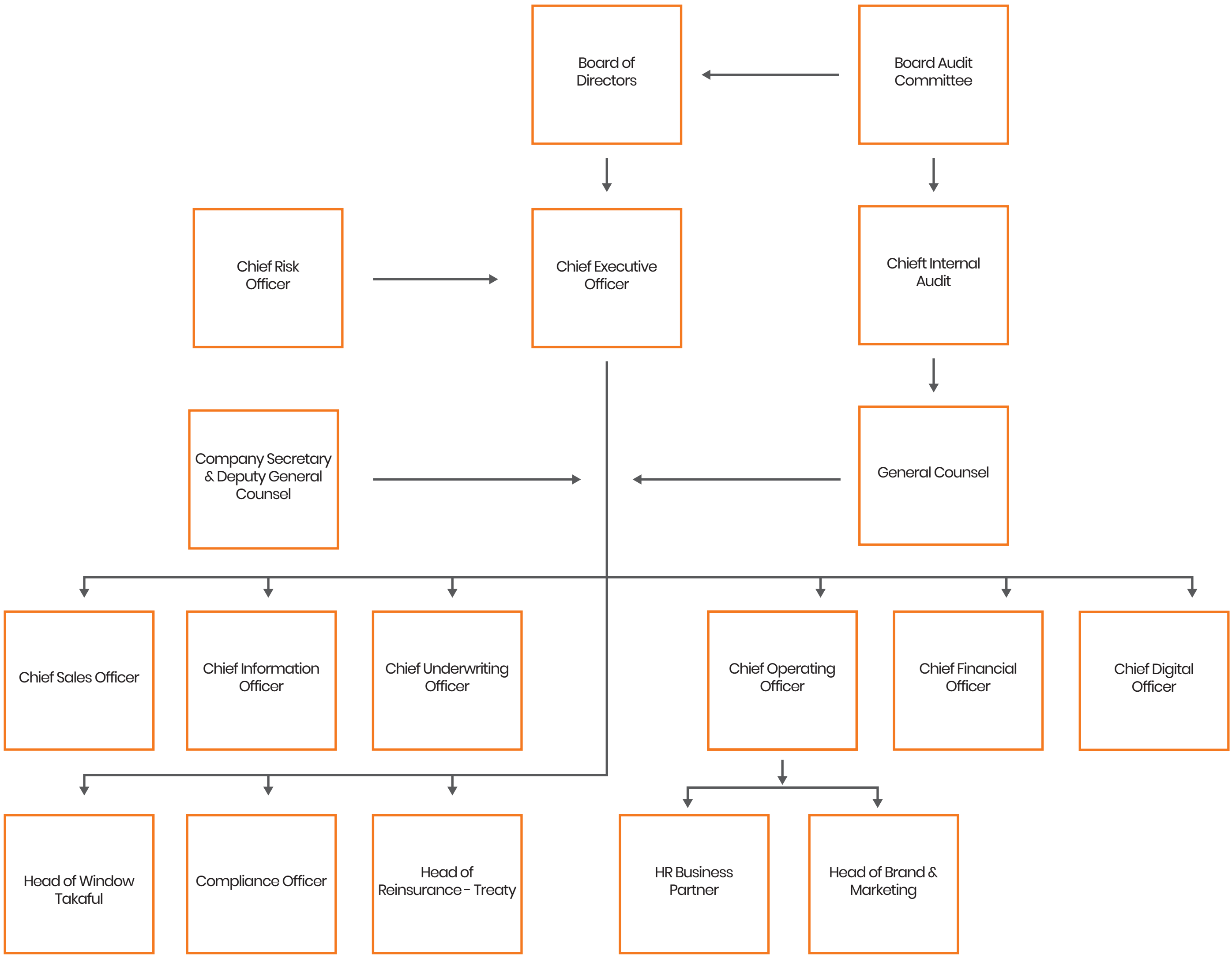
The Board oversees the Company's compliance with legal and regulatory requirements in relation to related party transactions. It has established general standards for approving transactions with related parties at different levels, as well as identifying which transactions require the members' approval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

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

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

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

ORGANIZATION CHART



WHISTLE BLOWING POLICY SPEAK UP WITH CONFIDENCE

TPL Insurance upholds the utmost standards of business ethics and management practices in its operations. The company is dedicated to the highest levels of transparency, integrity, and accountability.

Directors and employees often identify situations requiring corrective measures within the company. The Whistle Blowing Policy **(the "Policy")** aims to ensure that not just directors and employees, but also any other individuals - such as vendors, customers, subcontractors, consultants, trainees, shareholders, former employees, or any other external parties can easily voice their concerns about potential violations without any apprehension of facing retaliation.

The Policy, serves as a means to swiftly and directly notify the Management of any unethical conduct, suspected fraud, misconduct, or irregularities in the company's practices that do not align with TPL's Code of Conduct (CoC) or the local laws. This mechanism is designed to provide responsible individuals with the assurance that they can report such concerns without the risk of victimization or retaliation.

The Policy expects all individuals affiliated with TPL to uphold TPL's core values and its corporate mission. The underlying principle of this Policy is to promote a collective sense of responsibility for safeguarding the company's business interests. It offers a channel for reporting matters directly to the Whistle Blowing Committee, with provisions for confidential reporting. This Policy establishes a vigil mechanism, allowing every employee and individuals mentioned above to report legitimate concerns.

The Policy strengthens the Management's commitment and cooperation in protecting the interests of those who choose to report actual or potential violations of the Code of Conduct (CoC) and applicable laws. This commitment also ensures that the Policy is not subject to misuse.

Disclosure in Confidence with Confidence

1. AIM AND SCOPE OF THE POLICY

(a) This Policy aims to:

- Provide avenues for Directors, employees or any other persons including vendors, contractors, sub- contractors, consultants, trainees, shareholders, customers, former employees or any other third parties to raise concerns and receive feedback on any action taken;
- Provide avenues for Directors, employees or any other persons to report breach of Company's policies
- Reassure Directors, employees or any other persons that they will be protected from retaliation or victimization for blowing the whistle in good faith.

(b) There are existing procedures in place to enable employees to lodge a grievance relating to their own employment. This Policy is intended to cover concerns that fall outside the scope of other procedures. That concern may be about an act or omission that:

- is unlawful or in breach of any law;
- is against the Company's Polices;
- falls below established standards or practices; or
- Amounts to improper conduct, unethical behavior or suspected fraud.
- To motivate the Company's employees to act with honesty and loyalty, independently safeguarding the Company from potential financial or reputational harm resulting from fraudulent, immoral, unethical, or malicious activities or misconduct by certain dishonest individuals.

2. SAFEGUARDS

(a) Harassment or Victimization

The Company recognizes that the decision to report a concern can be a difficult one to make, not least because of the fear of retaliation from those responsible for the malpractice or from superiors. The Company will not tolerate harassment or victimization and will take action to protect individuals when they raise a concern in good faith. In case a whistle blower is already the subject of any disciplinary action, those procedures will not be halted as a result of their whistle blowing.

(b) Confidentiality

The Company affirms that all such matters will be handled in confidence, and the identity of the whistle blower shall remain undisclosed unless unavoidable circumstances necessitate such disclosure. This may include situations where revealing the whistle blower's identity is crucial and required in court of law, or when disclosing the complaint report is essential for those individuals with a legitimate need to know in order to conduct a thorough investigation.

(c) Anonymous Allegations

Individuals may raise concerns anonymously. Concerns expressed anonymously will be evaluated by the Company for investigation. In exercising this discretion, the factors to be taken into account would include:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

d) False Allegations

In the event that the whistle blowing raises an allegation in good faith, and the subsequent investigation does not find any evidence against the allegation, no repercussion will be imposed on the whistle blower. However, should the complaint be determined to be malicious or vexatious, made in bad faith, disciplinary measures will be implemented against the whistle blower.

3. RAISING A CONCERN – PROCEDURE

(a) Operational concerns shall be raised with the Line Manager or Skip Line Manager. The whistle blowing mechanism should be reserved for potentially serious or sensitive issues involving a material breach of the Company's Code of Business Conduct and Practice.

(b) Employees should first address the concerns with the relevant Line Manager or Skip Line Manager. In the event, the Line Manager or Skip Line Manager is the subject of the complaint; employees can directly contact the Whistle Blowing Committee. The said officer will then forward the concern to the appropriate body formed by the Company for such purposes.

(c) It is advised to raise any concerns in writing. In the case of serious concerns, the whistle blower may also directly approach the Chairperson of the Whistle Blowing Committee, who can be reached out through the following email id:

nader.nawaz@tplcorp.com

Alternatively, individuals can also use any of the following channels to report a concern:

- Write to Manager
- Email at whistleblow@tplcorp.com; or
- Call at this number 021-37130227; or
- Visit the website www.tplcorp.com

(d) The background and history of the concern, names, dates and places where possible, should be set out in the complaint along with the reason why the individual is particularly concerned about the situation.

(e) The complainant is not expected to prove the truth of allegation, but should be able to demonstrate that there are sufficient grounds for concern. All concerns must be raised immediately. This will support investigation process and enable faster implementation of corrective actions, if any.

4. HOW THE COMPLAINT WILL BE DEALT WITH

(a) The concerns raised may:

- form the subject of an independent inquiry;
- be investigated internally;
- be referred to the external Auditor; or
- be referred to the police; if required.

(b) Upon receipt of a concern, an initial enquiry will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may also be resolved by an agreed action without the need for investigation.

(c) After the concern has been evaluated, the Company will write to the complainant:

- acknowledging that the concern has been received;
- indicating how it is proposed to be dealt with;
- informing whether further investigations will take place, and if not, why not.

(d) The amount of contact between the body considering the issues and the complainant will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the complainant.

(e) The Company will take steps to protect the whistle blower from victimization and minimize any difficulties which a person reporting under whistle blowing may experience as a result of raising a concern.

(f) The Company accepts and would take such steps as may be required to assure the whistle blower that the matter has been appropriately addressed.

5. REPORTING

The concerns raised under whistle blowing shall be reported periodically to Whistle Blowing Committee of the Company.

6. ADDRESS FOR REPORTING AND COMMUNICATION

Email: whistleblow@tplcorp.com

Write to: Whistle Blowing Committee

Address: TPL Corp, 20th Floor, Sky Tower-East Wing, Dolmen City, HC-3, Abdul Sattar Edhi Ave, Block 4 Clifton, Karachi, Pakistan.

Call: 021-37130227

Web: www.tplcorp.com

PROCESS FLOW

Complaint

Raise issue with the Immediate Line Manager

Immediate LM or next level / Department Head reports matter & action(s) taken to resolve to area compliance officer & Group Head of Audit

Raise issue with next level or Departmental Head

Raise issue with Group Business Unit/ or Area Regional Senior Management or through third party hotline

The Hotline captures issue details and forwards them to the Internal Audit Group, the relevant Business Unit/Area, or regional compliance, as well as the relevant senior HR management for further investigation. Concerns within a specific Business Unit, area, or region will be appropriately communicated to their management, as well as the heads of global functions if required.

In substantial cases, additional supervision will be provided by the Group Head of Internal Audit, the SVP Group General Counsel, the Group Compliance Officer, and the Group SVP HR.

Examine the initial findings or allegations and make decisions in consultation with the pertinent groups, such as Business Unit or regional compliance officers, internal audit, and HR, to determine whether to proceed with a comprehensive investigation or close the case.

Communicate with reporter

Determine the approach for conducting additional investigations, which may involve engaging local HR, internal audit, legal, compliance, and potentially specialized external resources.

Communicate with reporter

ANNEXURE A:

TPL Insurance Limited
Whistle Blowing Form

Note: We assure that all of your information will be securely preserved within our database while maintaining strict confidentiality.

Anonymous ☐ Disclosed ☐

Title. Mr. ☐ Ms. ☐

If other, please specify. ____________________

Is the person submitting the complaint an/a?

- Employee
- Customer
- Vendor
- Other

If other, please specify. ____________________

First Name: ____________________

Last Name: ____________________

CNIC Number: ____________________

Phone Number: ____________________

Cell Number: ____________________

Email Address: ____________________

Mailing Address: ____________________

____

Would you like to schedule a meeting / telephone call with our representative to discuss your concern?

Yes ☐ No ☐ **Incident Report:**

Location:

CODE OF BUSINESS CONDUCT AND ETHICAL PRINCIPLES

1. Ethical Obligations

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

2. Code of Conduct

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

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

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

3. Conflict of Interest

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

4. Child Labor and Worker Exploitation Policy

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

5. Confidentiality

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

6. Privacy of Records

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

7. Environmentally Friendly

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

8. Bribery and Fraud

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

9. Gifts, Entertainment and Gratuities

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

10. Misconduct

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

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

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

11. Health and Fire Safety

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

12. Environmental Safety

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

13. Legal Proceedings

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

14. Compliance

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

SUCCESSION PLANNING

Our succession planning process covers the following areas:

Step 1 - Identify Key Positions

Criteria for key positions include:

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

Step 2 - Build Job Profiles for each Key Position

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

Step 3 - Competency Gap Analysis

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

Step 4 - Development Opportunities

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

Step 5 - Individual Development Plans

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

Step 6 - Maintain Skills Inventory

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

POLICY FOR ACTUAL AND PERCEIVED CONFLICT OF INTEREST

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

POLICY FOR SAFETY OF RECORDS OF THE COMPANY

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

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

DIVERSITY, EQUITY & INCLUSION POLICY

1.1 INTRODUCTION

TPL is committed to supporting, developing and promoting a diverse and inclusive culture, in all of its practices and activities, where everyone thrives, feels included, respected, valued and confident in sharing their unique ideas, abilities and perspectives. This policy outlines our commitment to diversity, acceptable behaviors expected from all employees and the actions being taken by TPL to ensure equal opportunities for all free from discrimination based upon values of dignity, courtesy and respect.

1.2 PURPOSE

To foster a culture through diverse initiatives and interventions that promotes a diverse, empowered workforce with equal access to opportunities at TPL, enabling them to achieve results effectively in alignment with the Company's vision and mission.

1.3 SCOPE

This policy shall be applicable to all employees of TPL and its affiliates, subsidiaries and associates.

1.4 DEFINITIONS

1.4.1 DIVERSITY

Diversity in the employment context is defined to mean and include the collective mixture of differences and similarities that includes, for example, individual and organizational characteristics, values, beliefs, experiences, backgrounds, preferences, and behaviors.

1.4.2 EQUITY

Equity in the workplace refers to fair and equitable treatment in access, opportunity and advancement for all individuals. Work in this area includes identifying and working to eliminate barriers to fair treatment for disadvantaged groups, from the team level through systemic changes in organizations and industries.

1.4.3 INCLUSION

The extent to which each person in an organization feels welcomed, respected, supported and valued as a team member. This means ensuring that everyone's voice is heard, opinions are considered and value to the team is evident.

1.5 POLICY STATEMENT

1.5.1 COMMITMENT TO DIVERSITY AND INCLUSION

TPL is dedicated to supporting, promoting and developing diversity and inclusion across all levels of the Company. We believe that a diverse workforce enhances our creativity, innovation, and ability to serve our customers effectively.

1.5.2 EQUAL OPPORTUNITY

TPL provides equal opportunity to all employees and applicants without discrimination based on ethnicity, color, religion, caste, class, creed, race, domicile, gender, disability or age. All our existing policies and practices ensure that hiring, promotions, advancement opportunities, compensation and other employment decisions are based solely on merit and business needs.

1.5.3 RECRUITMENT AND HIRING PROCESSES

At TPL, we are committed to fostering a transparent and unbiased hiring process. Our approach is strictly merit-based, ensuring that every candidate has equal access to opportunities, irrespective of their background or any other factor/aspect. We firmly uphold the principles of diversity, equity, and inclusion in all stages of our recruitment process-attracting, shortlisting, and hiring. We have a hiring policy with commitment to women empowerment access to differently-abled candidates for all the open positions. This commitment aligns with our core values, as we strive to create an inclusive workplace where everyone can thrive.

1.5.4 LEARNING AND DEVELOPMENT OPPORTUNITIES

We are committed to building a knowledgeable, skilled and diverse workforce that drives innovation and success. We ensure that all learning and development opportunities promote inclusivity, support career growth, encourage continuous learning and promote our values. We are dedicated to providing equal learning and development opportunities that cater to the diverse needs of our workforce.

1.5.5 CAREER PROGRESSION

We adopt fair and equitable practices to support career progression of all our employees. Decisions regarding career progression are made based on performance, merit and potential, free from biases or subjective influences. At TPL, Career progression opportunities are offered through various initiatives, including mentorship programs, leadership development programs, skill development initiatives, performance reviews, talent classification and succession planning. Our aim is to create an environment where talent thrives and reaches its full potential.

1.5.6 EMPLOYEE BENEFITS AND SUPPORT PROGRAMS

TPL's commitment to equity extends across the organization through the benefits we offer. Our benefits are designed with the best interest of our employees in mind, ensuring support during major life changes to foster a balanced work-life environment. Employees are entitled to paid wedding, maternity and paternity leaves to facilitate them during significant life events. Our daycare facility further supports working mothers and single parents in transitioning back to their workplace. Employees are granted paid pilgrimage leaves to fulfill their religious obligations. To support female and differently-abled employees, a fuel allowance is provided, enhancing their mobility and ensuring they feel supported.

1.5.7 HARASSMENT

At TPL, we have a zero tolerance policy towards harassment of any kind. We are committed to maintaining a workplace culture free from all forms of harassment, discrimination and bullying. We uphold a detailed Sexual Harassment Policy. Employees are encouraged to report any incidents immediately to the Human Resources department, their line managers, or through the channels mentioned in the policy, with the assurance of confidentiality and a prompt, thorough investigation. For detailed information on reporting mechanisms, behaviors that qualify as harassment, and other specifics, employees should refer to our separate Sexual Harassment Policy.

1.5.8 ACCEPTABLE BEHAVIORS

- All employees must treat each other with respect and dignity. There is zero tolerance for harassment, bullying, and discrimination of any form at TPL

- All employees are expected to demonstrate cultural sensitivity and respect towards diverse traditions, practices, and viewpoints

- Use language that is inclusive and respectful of all individuals, avoiding terms or phrases that may be considered offensive or exclusionary

- Employees should actively seek to understand and collaborate with colleagues from diverse backgrounds, fostering an environment of teamwork and mutual respect

- Contribute to a supportive and welcoming environment for all employees. Offer help and encouragement to colleagues as needed

1.5.9 ACCOUNTABILITY AND REPORTING

Employees are encouraged to report any incidents of discrimination or non-inclusive behavior they face or witness to their Line Manager, Human Resources Business Partner or the Human Resources Department.

1.5.10 COMMITTEE

In order to facilitate the employees and ensure effectiveness of the policy, a committee has been formed (refer to Annexure B5).

Management Rights:

The management of the company has the right to revert, change, amend, nullify or cancel all or any parts of this policy without prior notice.

ANNEXURE B5

Diversity, Equity and Inclusion Policy		
S.no	Designation	Role
1.	Chief Operating Officer - TPL Insurance	Member
2.	Executive Director - TPL Corp	Member
3.	Deputy General Counsel	Member
4.	Head Human Resources	Member
5.	Senior Manager - Learning & DEI	Secretary

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

The Executive Director of the Company (TPL Insurance Limited), Mr. Muhammad Aminuddin, is not a director on the board of any other company. However, the directors are remunerated in accordance with the respective company's policies and as authorized by their Board of Directors.

PERFORMANCE MANAGEMENT POLICY

1.1 INTRODUCTION

At TPL, we believe that performance management is a critical tool for driving excellence, aligning individual contributions with organizational objectives, and fostering professional growth. This policy establishes a structured and transparent framework for evaluating employee performance, setting clear expectations, providing feedback, and recognizing contributions.

1.2 PURPOSE

The purpose of this policy is to ensure a fair, consistent, and comprehensive approach to evaluating employee performance. It aims to:

- Align individual performance with organizational goals.
- Provide employees with clear expectations and regular feedback.
- Recognize and reward high performance.
- Identify and address performance gaps through targeted development initiatives.
- Support career progression and succession planning within the company.

1.3 SCOPE

This policy applies to all permanent and confirmed employees of TPL.

1.4 ELIGIBILITY

All employees who have completed a minimum of six months of service at TPL are eligible to participate in the formal performance evaluation process. Employees on probation will receive feedback through informal assessments conducted by their immediate supervisors.

1.5 PERFORMANCE EVALUATION PROCESS

1.5.1 Performance Planning and Objective Setting

- At the start of each fiscal year, senior management announces corporate objectives and business plans. Based on this, division heads are required to formulate departmental action plans.
- Employees are expected to set their individual performance goals in alignment with their department's objectives. These objectives will serve as the foundation for performance assessments, salary increments, and career progression.

1.5.2 Annual Performance Review

- Employee performance evaluations are conducted annually.
- The evaluation process includes assessments by immediate supervisors and self-assessments by employees.
- The CEO/COO/HR evaluates the performance of department heads.

1.5.3 Quarterly Performance Check-Ins

- Regular review meetings are encouraged to track progress, provide feedback, and make necessary course corrections.
- These discussions serve as a mechanism for motivation, engagement, and identifying areas for improvement.

1.6 PERFORMANCE RATINGS

Employees are rated on the below scale:

- Needs Improvement (NI): Performance does not meet expectations; intervention and improvement plans are required.

- Meets Expectations (ME): Performance consistently meets job requirements.
- Exceeds Expectations (EE): Performance surpasses job standards and contributes positively to team objectives.
- Outstanding (O): Performance consistently exceeds expectations, demonstrating exceptional contributions beyond job requirements.

1.7 PERFORMANCE AWARDS AND PROMOTIONS

- Employees demonstrating exceptional performance and leadership may be considered for promotions or performance-based rewards.
- Promotions are recommended by department heads, immediate supervisors, HR, and the CEO based on merit and capability.
- Employees must serve at least 24 months in a role before being eligible for promotion unless exceptional performance warrants an accelerated promotion

1.8 PERFORMANCE IMPROVEMENT AND DEVELOPMENT

1.8.1 Performance Improvement Plans (PIP)

- Employees with sustained underperformance may be placed on a formal improvement plan.
- The PIP includes clear performance expectations, support mechanisms, and a defined review period.
- If performance does not improve within the designated timeframe, further actions may be considered, including reassignment or termination.

1.8.2 Training and Development

- Performance evaluations help identify skills gaps and training needs.
- Employees will be encouraged to participate in professional development programs, workshops, and mentoring opportunities.
- Career progression within the organization is supported through targeted development initiativesAt TPL, we are committed to fostering a fair and transparent work environment that values the input and concerns of all employees.

1.9 GRIEVANCE HANDLING DURING PERFORMANCE APPRAISALS

At TPL, we are committed to a fair and transparent appraisal process. Employees who disagree with their performance ratings have the following recourse:

- Informal Resolution: Employees should first discuss concerns with their immediate supervisor for clarification.
- Formal Appeal: If concerns persist, employees may file a written grievance with HR within 10 calendar days of receiving their appraisal feedback.
- HR Review: HR will conduct an independent review, including discussions with relevant parties, to ensure a fair resolution.
- Final Decision: Employees will receive formal feedback from HR on the outcome of their grievance.

1.10 ADDITIONAL OBJECTIVES OF PERFORMANCE EVALUATION

Performance evaluations serve multiple purposes, including:

- Supporting managerial decisions regarding training, transfers, promotions, or terminations.
- Strengthening the hiring process by identifying role-specific performance criteria.
- Providing employees with constructive feedback and opportunities for improvement.
- Enhancing employee engagement and morale through goal setting and recognition.

1.11 PROMOTIONS POLICY

Promotions will be recommended by the Department Head/Immediate Supervisor/HR and CEO based on merit and ability to assume higher responsibility. Normally awarded during annual appraisal however, appointing authority may promote at any time during the year. Gap of at least 24 month between 2 promotions for the same individual is required. It is at appointing authority's discretion however to grant a double promotion in case of outstanding performance which is duly approved by HR and CEO.

Management Rights:

The management of the company has the right to revert, change, amend, nullify or cancel all or any parts of this policy without prior notice.

INVESTOR GRIEVANCE POLICY

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

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

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

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

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

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

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

Tel: (0092 (021) 35310191-6

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

INFORMATION SECURITY GOVERNANCE FRAMEWORK

TPL Insurance is committed to maintaining a strong information security posture across the organization. The company has implemented an approved Information Security Policy and a comprehensive Information Security Framework that defines clear roles, responsibilities, and protocols for protecting its information assets. The framework encompasses risk management, access controls, network and asset security, acceptable use of IT resources, and incident response procedures. This governance structure ensures that TPL Insurance remains resilient against emerging cyber threats while supporting regulatory compliance and business continuity.

PERFORMANCE REVIEW OF THE CEO

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

CHAIRMAN'S REVIEW REPORT

It is my privilege to present to our esteemed members an overview of the performance of TPL Insurance Limited (the "Company") and its Board of Directors for the financial year ended December 31, 2025.

The year under review was characterized by strategic momentum alongside a challenging macroeconomic landscape. Amid inflationary pressures, currency volatility, and evolving regulatory dynamics, the Board remained steadfast in providing disciplined oversight and strategic direction to the Management. Our focus throughout the year remained anchored in safeguarding profitability, strengthening operational resilience, and positioning the Company for long-term sustainable growth.

A significant development during the year was the receipt of a strategic expression of interest from Jazz International Holding Company Limited regarding a potential acquisition of shares and control of the Company. While the proposed transaction remains subject to regulatory approvals, due diligence, and the execution of definitive agreements, the Board has approached this development with careful deliberation and a steadfast commitment to transparency, regulatory compliance, and the protection of shareholder value.

Beyond this development, the Board continued to advance strategic priorities focused on expansion, innovation, and operational excellence. Emphasis was placed on enhancing digital capabilities, optimizing distribution channels, and reinforcing underwriting discipline to support sustainable and diversified growth.

The strength of the Company continues to lie in the collective expertise of its Board and Management team. The Board's sub-committees met regularly during the year, reinforcing robust audit oversight, risk governance, human resource stewardship, and fair remuneration practices. The Company remains committed to upholding the highest standards of corporate governance, transparency, and accountability.

On behalf of the Board, I extend my sincere appreciation to our valued shareholders, management, employees, and other stakeholders for their continued trust and support. As we look ahead, we remain confident in the Company's strategic direction and committed to delivering long-term value and sustained performance.

Jameel Yusuf S.St.
Chairman of the Board
As of December 31, 2025

Internal Audit Function

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

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

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

Composition of the Committee

The Committee comprises of three members, two of which are non-executive directors and one independent director who is the chairman of the Committee. The Chief Internal Auditor serves as the secretary of the Committee.

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

The Committee convened four meetings during the year.

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

Review of Financial Results

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

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

Committee's approach towards Risk Management

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

Internal Audit

(A) Significant Observations/ Improvements highlighted by the Function

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

- Improvement in policies and procedures for different functions
- Ensure that approved policies and Standard Operating Procedures are in place for each function.
- KYC requirements are fulfilled
- Rectification of system inaccuracies
- Strengthen controls over processes and improve efficiency
- Compliance with regulatory requirements
- Proper documentation requirements
- Ensure training opportunities
- Management should implement an automated system for premium recovery and collection recording

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

(B) Opinion of the Internal Audit

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

(C) Separate Meeting with Internal Audit

The Committee held an independent meeting with the Internal Auditor during the year without the presence of management.

Review of Internal Control Systems

The Committee reviews the effectiveness of the Company's policies and procedures regarding internal control systems by reviewing the work of the Function and the Company's external auditors, and regular reports from management including those on risk management, regulatory compliance and legal matters. In conjunction with the Risk Committee and based on opinion of Internal Audit given above, the Committee reviewed and concur with the management confirmation that the Company's risk management and internal control systems were effective for the year ended December 31, 2025. The Committee is satisfied that the Company has adopted necessary control mechanisms to ensure that it satisfactorily complies with the requirements of the COCG in respect of internal control systems.

Review of Accounting, Financial Reporting and Internal Audit Functions

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

Review of Related Party Transactions

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

External Auditors

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

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

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

Being eligible for re-appointment under the listing regulations, the Committee has recommended the appointment of M/s. Grant Thornton Anjum Rahman Chartered Accountants, as an External Auditor of the Company for the year ending December 31, 2026 on fees to be approved by the BOD.

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

For and on behalf of

Board Audit Committee

Aqueel E. Merchant
Chairman Board Audit Committee
26 February 2026

On behalf of the Board of Directors of TPL Insurance Limited ("the Company"), I am pleased to present the Annual Report of the Company for the year ended December 31, 2025.

ECONOMIC REVIEW

During FY 2025, Pakistan's real GDP recorded growth of 2.68%, underpinned by broad based stabilization across key macroeconomic indicators. GDP at current market prices registered 9.1% growth YoY. Industrial sector posted growth of 4.77%, driven by recovery in manufacturing sector. Agricultural sector grew by 0.56%, primarily constrained by decline in major crop production. The services sector expanded by 2.91%, maintaining its largest share in the GDP.

Average inflation rate during FY2025 remained at 4.7%. Current account reported surplus of over $2 billion driven by significant growth in remittances, and increased exports. US Dollar parity remained relatively stable fluctuating within the range of PKR 278 to PKR 280 per US Dollar. Auto industry reported motor vehicle sales of 131,611 units in 2025 as opposed to 97,417 units in previous year, an increase of 35%.

Equity market reported robust growth during the year. The benchmark index increased 50% during the year to 174,054 (2024: 115,126).

BUSINESS REVIEW

GROSS WRITTEN PREMIUM

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

During the year, the company reported Consolidated Gross Written Premium ("GWP") of Rs. 5,756 Million registering growth of 15% YoY. The premium includes contribution written by window takaful operations of the Company which amounts to Rs. 3,373 Million (2024: Rs. 2,525 Million).

Year	Consolidated Gross written premium (Rs. In Millions)	Growth %
2019	2,505.3	4%
2020	2,746.9	10%
2021	3,284.0	20%
2022	3,823.0	16%
2023	4,085.0	7%
2024	5,020.0	23%
2025	**5,756.0**	**15%**

The Company's motor portfolio stood at Rs 4,049 Million (2024: 3,217 Million), reflecting growth of 26% YoY. Marine and Miscellaneous portfolios registered growth 47% and 85% respectively. Fire portfolio, however, registered decline of 35% at Rs. 551 Million (2024: Rs. 848 Million), mainly attributed to decline in premiums from power plants.

In 2025, TPL Insurance advanced with strength and strategic clarity, delivering PKR 5.75 billion in Gross Written Premium (GWP) and reinforcing its position as a forward looking market leader. Growth was achieved through disciplined underwriting, strengthened reinsurance capacity, and decisive execution in an environment marked by pricing pressures and elevated claims severity across motor and healthcare segments. The Company accelerated its transformation into a more agile, customer centric organization by digitizing core sales, renewal, and service journeys through integrated CRM workflows and embedding practical AI solutions to enhance speed, accuracy, and operational control.

Portfolio diversification remained a key growth engine, with continued momentum across Agriculture, Travel, Pet (Pawsurance), Solar, and Titania, the Company's priority solution for High-Net-Worth Individuals, while embedded and micro distribution partnerships expanded reach and accessibility. A sharpened focus on priority segments through premium servicing models strengthened retention, improved wallet share, and elevated brand differentiation in high-value markets.

Operational excellence was not incremental but structural. Automation reduced friction across customer touchpoints, improved turnaround times, and enhanced service governance. Digital platform enhancements across web and mobile channels improved usability, conversion, and engagement, reinforcing TPL Insurance's commitment to modern, responsive protection solutions.

Guided by innovation, execution discipline, and financial prudence, TPL Insurance continues to strengthen resilience, deepen customer trust, and create sustainable long-term value for shareholders and stakeholders alike.

CLAIMS ANALYSIS

In 2025, claim ratio increased by 2% and reported at 50%. The increase is attributed to motor portfolio where claim ratio increased from 43% to 46%, as a result of increase in motorcycle portfolio. Health business reported claim ratio of 96% (2024: 85%), while Fire and Marine portfolios reported claim ratios of 86% and 18% respectively (2024: 21% and 45% respectively).

REINSURANCE

YEARLY CLAIMS INCURRED	
Year	**% of Earned Premium**
2019	44%
2020	45%
2021	46%
2022	48%
2023	49%
2024	48%
2025	**50%**

The Company maintains strong, long-standing relationships with leading international reinsurance partners. All treaty placements are secured with blue-chip, AA and A rated markets, highlighting the Company's disciplined risk management framework and market credibility.

During the year, the reinsurance program was comprehensively reviewed and enhanced in line with expected portfolio growth. Treaty capacities were strengthened across key classes, improving risk absorption, capital efficiency, and underwriting flexibility. Conventional treaties for fire, engineering, marine and miscellaneous classes were increased by an average of 50%. Fire and engineering Catastrophe Excess of Loss capacity was increased by 200%. In Takaful portfolio, Fire and Marine capacities were enhanced by 43% and 50% respectively.

WINDOW TAKAFUL OPERATIONS

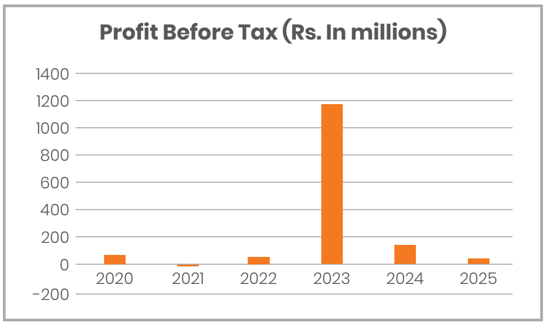
The Company's Window Takaful Operations (WTO) continue to grow and has underwritten contributions amounting to Rs. 3,373 Million (2024: Rs. 2,525 Million), reporting YoY growth of 34%. The consolidated assets of operator fund and participant takaful fund amounts to Rs. 3,242 Million (2024: Rs. 2,669 Million).

During the year, the participant takaful fund reported a surplus of Rs. 10 Million (2024: Rs. 50 Million).

FINANCIAL REVIEW

PROFITABILITY AND GROWTH

The Company has recorded a consolidated pre-tax profit of Rs 56 Million (2024: Rs. 145 Million). The results include pre-tax surplus attributable to Participants' Takaful Fund amounting to Rs. 10 Million (2024: Surplus of Rs. 50.3 Million). The profit attributable to shareholders' fund amounted to Rs. 48 Million



(2024: Profit of Rs. 21 Million). The pre-tax and post-tax basic earning per share are Rs. 0.23 and Rs. 0.24 respectively (2024: Rs. 0.34 and Rs. 0.11).

INVESTMENTS

As at 31 December 2025, investments made by the Company (including investments made by Participant's Takaful Fund) stands at Rs. 1,721 Million (2024: Rs. 2,082 Million). These mainly comprise of investments in term deposits amounting to 1,404 Million (2024: 1,285 Million), investment in government securities amounting to Rs. 253 Million (2024: Rs. 248 Million), and investment in equities and mutual funds amounting to Rs. 64 Million (2024: 549 Million). The aggregate market value of these investments is Rs. 1,721 Million (2024: Rs. 2,084 Million).

CASH & BANK BALANCES

The cash and bank balances of the Company stands at Rs. 2,995 Million (2024: Rs. 2,472 Million). This includes cash and bank balances Participants' Takaful Fund amounting to Rs. 48 Million (2024: Rs. 24 Million).

DIVIDEND

The Board of Directors don't recommend any distribution (2024: Nil).

INSURER FINANCIAL STRENGTH (IFS) RATING

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

KEY FINANCIAL DATA FOR THE LAST SIX YEARS

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

	2025	2024	2023	2022	2021	2020
Gross premium written	5,756	5,020	4,085	3,823.1	3,284.0	2,746.9
Net premium revenue	4,293.8	3,424	3,085	3,066.0	2,398.4	2,163.1
Underwriting expenses	(4,205.4)	(3,387)	(3,240)	(2,880.7)	(2,280.5)	(2,046.8)
Underwriting results	**88.4**	**36.9**	**(154.8)***	**185.3**	**117.8**	**116.3**
Investment income and other income	348.7	467.7	531.5	146.7	110.8	204.1
Other expenses	(381.3)	(359.8)	(283.1)	(267.0)	(233.9)	(240.8)
Surplus on merger	-	-	1,079	-	-	-
Profit / (Loss) before tax for the year	**55.8**	**144.6**	**1,172**	**65.1**	**(5.2)**	**79.5**
(Surplus) / Loss after tax from WTO	**(9.96)**	**(50.3)**	**(12.1)**	**(12.8)**	**108.9**	**(90.2)**
Taxation	1.84	(73.1)	(45.5)	(46.8)	(4.4)	(39.7)
Other Comprehensive Income	(22.2)	40.6	(38.0)	(81.5)	196.46	22.4
Total Comprehensive Income	**25.5**	**61.9**	**1,076.19**	**(76)**	**295.6**	**99.2**

*Includes impact of one-off marketing expense

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

	2025	2024	2023	2022	2021	2020
Paid up share capital	2,029	2,027	2,027	2,027	1,393.1	946.7
Retained Earnings / Accumulated (losses)	622.0	481.1	459.9	(59.8)	(65.3)	(164.5)
Other comprehensive income reserve	(5.1)	110.2	69.5	107.5	189.0	(7.3)
Other capital reserves	124.6	124.6	124.6	124.6	77.6	24.1
Participant's Takaful Fund	17.7	7.7	(42.6)	(54.7)	(67.5)	41.4
Total Equity	**2,788.5**	**2,750.5**	**2,638.2**	**2,144.3**	**1,526.9**	**840.4**

	2025	2024	2023	2022	2021	2020
Investments	1720.5	2,081.6	2,256	1,740.0	1,390.4	920.8
Fixed assets	357.5	321.3	300.8	422.0	401.2	257.5
Capital work in progress	15.31	-	-	-	-	-
Cash and bank deposits	2,995.4	2,472.1	1,996.5	1,569.4	1,046.4	913.4
Other assets	3,740.1	3,064.0	2,755.4	2,241.0	1,987.1	1,409.5
Total Assets	**8,828.8**	**7,939.0**	**7,308.7**	**5,971.5**	**4,786.1**	**3,501.2**
Underwriting liabilities	4,140.4	3,636.4	3,075.8	2,795.6	2,393.3	1,970.8
Other liabilities	1,899.8	1,552.0	1,594.7	1,031.5	929.9	690.0
Total Liabilities	**6,040.3**	**5,188.4**	**4,670.8**	**3,827.1**	**3,259.2**	**2,660.8**

AUDITORS

M/s Grant Thornton Anjum Rahman Chartered Accountants ("GT") retire in the forthcoming Annual General Meeting. The Audit Committee recommends appointment of M/s Grant Thornton Anjum Rahman Chartered Accountants as auditors of the Company for the year ending 31 December 2026, at a fee to be mutually agreed.

RELATED PARTY TRANSACTIONS

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

ANTIMONEY LAUNDERING AND COUNTERFINANCING OF TERRORISM

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

CORPORATE SOCIAL RESPONSIBILITY

At TPL, corporate social responsibility remains integral to how we operate and create long-term value. Our approach is guided by a commitment to responsible growth, community upliftment, and sustainable business practices.

During the year, we continued to support initiatives across healthcare, education, community development, and environmental sustainability. Through strategic partnerships, we contributed to programs aimed at improving access to quality healthcare services and educational opportunities for underserved segments of society.

Women empowerment remained a focus area, with support for skill-building initiatives and professional development programs that encourage greater economic participation. We believe that inclusive progress strengthens both communities and businesses.

Internally, we continued to prioritize employee well-being through healthcare coverage, professional development opportunities, and initiatives that promote a positive and respectful workplace culture. Creating a supportive and growth-oriented environment remains central to our values.

Our environmental efforts were guided by responsible resource management, energy efficiency measures, and initiatives that promote sustainable practices and biodiversity preservation. These actions reflect our continued alignment with our Environmental and Social Action Plan (ESAP).

As we move forward, we remain committed to strengthening impact measurement, enhancing collaboration with credible partners, and ensuring that our CSR initiatives deliver meaningful and measurable outcomes.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

- The financial statements prepared by the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, International Financial Reporting Standard and other regulations (including but not limited to the Shariah guidelines /principles) as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure there from have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The fundamentals of the Company are strong and there are no doubts about Company's ability to continue as a going concern.
- The Company has followed the best practices of the Corporate Governance and there has been no material departure there from.
- Key operating and financial data for the last six years in summarized form, is included in this annual report.

- Significant deviations from last year's operating results have been explained in this report

- Statutory payments on account of taxes, duties, levies and charges outstanding are in the normal course of business

- The board is duly complying in respect of the Directors' Training Program as referred under the Clause 19(1)(i) of the Listed Companies (Code of Corporate Governance) Regulations, 2019

- The value of investments of provident fund on the basis of unaudited financial statements of the provident sfund as on 31 December 2025 is Rs. 130 Million (2024: Rs. 115 Million).

DIRECTORS' REMUNERATION

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

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

INSURANCE ORDINANCE 2000

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

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

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

CODE OF CONDUCT

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

ENVIRONMENTAL SOCIAL AND GOVERNANCE

The Company maintains an Environmental, Social and Governance ("ESG") framework that reflects its commitment to responsible stewardship, ethical conduct, and sustainable value creation. Oversight of ESG matters is entrusted to the Board's Risk Committee, which reviews implementation progress and monitors alignment with the Company's strategic objectives.

Our ESG approach integrates environmental responsibility, social considerations, and sound governance practices into operational decision-making and long-term planning. The Company continues to strengthen internal processes and oversight mechanisms to enhance transparency, accountability, and effective risk management across its business activities.

Environmental initiatives are focused on responsible resource utilization, efficiency improvements, and minimizing operational impact where feasible. On the governance front, the Company remains committed to maintaining robust internal controls, regulatory compliance, and high standards of ethical business conduct.

We remain focused on continuous improvement in ESG practices and disclosures, ensuring responsiveness to evolving regulatory requirements and stakeholder expectations.

PATTERN OF SHARE - HOLDING

Statement of pattern of share-holding of the Company as at 31 December 2025 is as follows:

Shareholder's Category	Number of Shares Held	Percentage of Shareholding
Parent Company - TPL Corp Limited & TPL Holding	108,345,506	54.54%
Foreign Companies	65,262,510	32.85%
Directors and Senior Management Officer	1,105,274	0.56%
Mutual Funds	3,097,501	1.56%
General Public (Local)	16,060,136	8.08%
General Public (Foreign)	2,931,776	1.48%
Others	1,841,759	0.93%
Total	**198,644,462**	**100.00%**

TRADING IN COMPANY'S SHARES

Details of trading in the shares of the Company by the major shareholder, the directors, CEO, CFO, Company Secretary, other employees and their spouses and minor children during the year.

Name & Designation	Number of Shares Traded	Nature	Date
Muhammad Aminuddin (CEO)	500,000	Sell	11-06-2025
Muhammad Aminuddin (CEO)	500,000	Sell	16-06-2025
Muhammad Aminuddin (CEO)	500,000	Sell	19-06-2025
Muhammad Aminuddin (CEO)	500,000	Sell	25-06-2025
Syed Ali Hassan Zaidi (COO)	250,000	ESOS	07-10-2025
TPL Corp Limited (Substantial Shareholder)	500,000	Purchase	25-06-2025
TPL Corp Limited (Substantial Shareholder)	500,000	Purchase	19-06-2025
TPL Corp Limited (Substantial Shareholder)	500,000	Purchase	16-06-2025
TPL Corp Limited (Substantial Shareholder)	500,000	Purchase	11-06-2025

BOARD MEETINGS

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

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

The Board of Directors held Five (05) meetings in 2025. The attendance is indicated as follows:

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

FUTURE OUTLOOK

As Pakistan transitions toward economic stabilization and regulatory evolution, TPL Insurance is positioned to lead with confidence. The Company will intensify its focus on scalable digital distribution, embedded partnerships, and CRM driven cross selling and retention strategies to unlock profitable growth across priority and underserved segments.

Expansion across the spectrum from micro to premium customer solutions will further diversify revenue streams and reinforce relevance in a rapidly evolving risk landscape. Continued investment in automation, AI enablement, governance strengthening, and compliance readiness will enhance agility and decision-making discipline.

While competitive intensity, climate volatility, and regulatory transformation will continue shaping the industry, TPL Insurance's diversified portfolio, strengthened reinsurance framework, customer first operating model, and execution rigor position the Company to navigate uncertainty with confidence, sustain profitable growth, and consolidate its leadership within Pakistan's insurance sector in the years ahead.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors,

Muhammad Aminuddin
Chief Executive Officer

Jameel Yusuf (S.St)
Chairman

26 February 2026

MANAGEMENT RESPONSIBILITIES TOWARDS FINANCIAL STATEMENTS

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

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matter 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 do so.

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

GENDER PAY GAP STATEMENT UNDER SECP'S CIRCULAR 10 OF 2025

Following is the gender pay gap calculated for the year ended December 31, 2025;

i. Mean Gender Pay Gap: 5%
ii. Median gender Pay Gap: -9%

*The Statement is issued in compliance of SECP Circular No. 10 of April 17, 2024 regarding disclosure of gender pay gap data in annual report.

Muhammad Amin Uddin
Chief Executive Officer

Date: March 03, 2026

PATTERN OF SHAREHOLDING
AS OF DECEMBER 31, 2025

No. of Shareholders	From	To	Shares Held	Percentage
512	1	100	5126	0.0026
67	101	500	21463	0.0108
129	501	1000	109803	0.0553
155	1001	5000	374009	0.1883
29	5001	10000	229378	0.1155
11	10001	15000	140308	0.0706
17	15001	20000	286473	0.1442
7	20001	25000	163090	0.0821
4	25001	30000	113918	0.0573
3	30001	35000	99204	0.0499
3	35001	40000	113802	0.0573
3	40001	45000	124792	0.0628
11	45001	50000	536693	0.2702
1	50001	55000	51351	0.0259
2	55001	60000	114310	0.0575
3	65001	70000	203931	0.1027
1	70001	75000	75000	0.0378
1	75001	80000	80000	0.0403
2	80001	85000	162186	0.0816
3	95001	100000	300000	0.1510
1	120001	125000	120424	0.0606
1	140001	145000	142995	0.0720
1	145001	150000	150000	0.0755
1	150001	155000	152329	0.0767
1	170001	175000	173200	0.0872
3	195001	200000	600000	0.3020
1	200001	205000	203140	0.1023
1	215001	220000	218113	0.1098
1	235001	240000	235136	0.1184
1	245001	250000	250000	0.1259
1	255001	260000	259097	0.1304
1	370001	375000	370100	0.1863
1	380001	385000	382000	0.1923
1	400001	405000	402089	0.2024
1	450001	455000	453775	0.2284
1	545001	550000	547990	0.2759
1	645001	650000	650000	0.3272
1	675001	680000	676970	0.3408
1	705001	710000	709566	0.3572
1	715001	720000	715887	0.3604
1	720001	725000	720250	0.3626
2	745001	750000	1500000	0.7551
1	750001	755000	753941	0.3795
1	775001	780000	776966	0.3911
1	795001	800000	800000	0.4027
2	1495001	1500000	2992298	1.5064
1	1870001	1875000	1872638	0.9427
1	2085001	2090000	2088904	1.0516
1	2340001	2345000	2343560	1.1798
1	2640001	2645000	2640064	1.3290
1	3495001	3500000	3500000	1.7619
1	6555001	6560000	6555586	3.3002
1	6995001	7000000	7000000	3.5239
1	24345001	24350000	24348127	12.2571
1	31485001	31490000	31488750	15.8518
1	33770001	33775000	33773760	17.0021
1	64770001	64775000	64771970	32.6070
1005	**Company Total**		**198644462**	**100.00**

CATEGORY OF SHAREHOLDING

AS OF DECEMBER 31, 2025

Particulars	No of Folio	No of Shares	Percentage
DIRECTORS, CEO & CHILDREN	**4**	**723,274**	**0.36%**
MR. JAMEEL YOUSUF		837	0.00%
MR. ALI JAMEEL		837	0.00%
MUHAMMAD AMINUDDIN		720,250	0.36%
AYLA MAJID		1,350	0.00%
SENIOR MANAGEMENT OFFICER	**1**	**382,000**	**0.19%**
SYED ALI HASSAN ZAIDI		382,000	0.19%
ASSOCIATED COMPANIES	**8**	**108,345,506**	**54.54%**
TPL HOLDINGS (PRIVATE) LIMITED		1,453,936	0.73%
TPL CORP LIMITED		106,891,570	53.81%
MUTUAL AND OTHER FUNDS	**2**	**3,097,501**	**1.57%**
CDC - TRUSTEE AKD OPPORTUNITY FUND		2,343,560	1.18%
CDC - TRUSTEE GOLDEN ARROW STOCK FUND		753,941	0.38%
GENERAL PUBLIC (LOCAL)	**947**	**16,060,136**	**8.08%**
GENERAL PUBLIC (FORGEIN)	**26**	**2,931,776**	**1.48%**
OTHERS	**15**	**1,816,759**	**0.91%**
CDC STAY ORDER CASES WITH FRACTON		547,990	0.28%
PEARL SECURITIES LIMITED		825,000	0.41%
TOYOTA HYDERABAD MOTORS		45,106	0.02%
BONUS FRACTION B-2018		255	0.00%
BONUS FRACTION B-2019		226	0.00%
SARFRAZ MAHMOOD (PRIVATE) LTD		675	0.00%
MAPLE LEAF CAPITAL LIMITED		1	0.00%
RAO SYSTEMS (PVT.) LTD.		10,000	0.01%
FEDERAL BOARD OF REVENUE		22,590	0.01%
DJM SECURITIES LIMITED		203,140	0.10%
NCC - PRE SETTLEMENT DELIVERY ACCOUNT		15,000	0.01%
FALCON-I (PRIVATE) LIMITED		1	0.00%
AKD SECURITIES LIMITED.		120,424	0.06%
TOYOTA SAHARA MOTORS (PVT) LTD		51,351	0.03%
FOREIGN COMPANIES	**2**	**65,262,510**	**32.85%**
DEG-DEUTSCHE INVESTITIONS-UND ENTWICKLUNGSGESELLSCHAFT MBH		31,488,750	15.85%
FINNISH FUND FOR INDUSTRIAL COOPERATION LTD		33,773,760	17.00%
Company Total	**1005**	**198,644,462**	**100.00**

Grant Thornton

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Karachi, Pakistan.

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of TPL Insurance Limited

Review Report on the Statement of Compliance contained in 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 Listed Companies (Code of Corporate Governance) Regulations, 2019 (combined called 'the Code') prepared by the Board of Directors of TPL Insurance Limited 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 (lxxvi) of 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 Code 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.

Grant Thornton Anjum Rahman

Chartered Accountants
Karachi
Date: April 02, 2026
UDIN: CR202510154CZM9odnQz

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED DECEMBER 31, 2025

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

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

1. The total number of directors are 7 as per the following

   a. Male: 5
   b. Female: 2

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

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

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

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

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

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

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

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

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

8. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirement of the Companies Act, 2017 and the Codes with respect to frequency, recording and circulating minutes of meeting of the Board.

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

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

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

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

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

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

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

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

17. The Board has formed the following Management Committees:

Underwriting Committee:

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

Claim Settlement Committee:

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

Reinsurance and Co-insurance Committee:

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

Risk Management and Compliance Committee:

Name of the Member	Category
Ayla Majid	Chairperson
Naila Kassim	Member
Muhammad Aminuddin	Member
Compliance Officer	Member
Benjamin Brink	Member
Syed Ali Hassan Zaidi	Secretary

18. The Board has formed the following Board Committees:

Ethics, HR, Remuneration and Nomination Committee:

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

Compensation Committee

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

Investment Committee:

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

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

Audit Committee:

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

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

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

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

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

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

* Mr. Kamran Rafique Shaikh served as the Compliance Officer during the year. In the last quarter of the reporting year, he tendered his resignation from the position. Consequently, the position remained vacant as at December 31, 2025. The replacement of Compliance Officer has been finalized and is expected to join by the end of the current month.

During the year, Mr. Owais Alam resigned from the position of Head of Claims, and Mr. Faheem Darss was appointed in his place.

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

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

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

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

27. The Company has been rated by PACRA and the rating assigned by the rating agency on May 2, 2025 is AA(ifs) with stable outlook.

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

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

By Order of the Board

Chairman
Date: February 26, 2026

TRAVEL INSURANCE

MOBILE INSURANCE

SUSTAINABILITY REPORT

TPL Cares

The Group's CSR platform is focused on initiatives in healthcare, education, inclusion, gender equality, and environmental sustainability. It involves employees through volunteering, partnerships, and wellness programs, reflecting TPL's dedication to social responsibility, community empowerment, and sustainable development.

SUSTAINABLE DEVELOPMENT GOALS

1 Annual Giving

Community Partners

Education Empowerment

2 Volunteer Program

International Day of Sign Languages

World Children's Day

World Down Syndrome Day

Blood Donation Drive

International Day of Women & Girls in Science

Fundraising Ride: Cycle for Change

International Day of Persons with Disabilities

SUSTAINABLE DEVELOPMENT GOALS

3 Employee Well-being

	SDG 3	SDG 4	SDG 10	SDG 11	SDG 13	SDG 15
Mental Wellness Workshops	✓					
World Diabetes Day	✓					
Breast Cancer Awareness Month	✓					

4 Climate Action

	SDG 3	SDG 4	SDG 10	SDG 11	SDG 13	SDG 15
World Environment Day					✓	✓
Global Climate Movement: Earth Hour					✓	
Mother Earth Day					✓	✓
WWF-Pakistan Green Office Initiative				✓	✓	
ESG Workshop				✓		✓
Biodiversity Study - Korangi Creek Ecosystem				✓	✓	✓
World Water Day					✓	
Solar Energy at SMCHS				✓	✓	
Waste Management & Recycling Program				✓	✓	✓
IQAir Monitoring	✓			✓	✓	

5 Progress & Impact

	SDG 3	SDG 4	SDG 10	SDG 11	SDG 13	SDG 15
AKUH Partnership	✓	✓				
14th Annual CSR Awards			✓			✓
GDEIB Awards 2025			✓			

ANNUAL GIVING

At TPL, our dedication to uplifting communities remains unwavering. Through our Annual Giving initiatives, we actively support a wide range of charitable causes and organizations. Over time, we have consistently invested our resources to empower communities, tackle pressing societal challenges, and create meaningful, lasting impact.

Community Partners

We work in close collaboration with non-profits, welfare institutions, and advocacy groups to deliver initiatives that uplift communities and promote lasting societal progress. This year, our support reached a broad network of respected partners, each making a meaningful contribution toward positive change:

- Sindh Institute of Urology and Transplantation (SIUT)
- Zafar & Atia Foundation Charitable Trust
- The Health Foundation
- Patients Welfare Foundation (Creek General Hospital)
- Society for the Prevention & Cure of Blindness
- SADA Welfare Foundation
- Saylani Welfare Trust (SWT)
- Patients Aid Foundation
- Indus Hospital & Health Network

over PKR **8.0** million

disbursed in supporting our communities

Education Empowerment

Through sustained collaborations with reputable educational institutions, TPL has helped thousands of students from underserved communities progress in their learning journeys. From enabling a child to write their first word to empowering a teenager with a disability to complete high school, we remain committed to ensuring every learner has the opportunity to succeed.

- The Citizens Foundation (TCF)
- Family Educational Services Foundation (Deaf Reach School)
- Green Crescent Trust
- SOS Children's Village
- Ida Rieu Welfare Association
- Network of Organizations Working For People With Disabilities Pakistan (NOWPDP)

VOLUNTEER PROGRAM

Throughout the year, our employees actively volunteered at NGOs and charitable institutions, working to create positive change in society. Since its inception, the program has recorded over 654 volunteer hours, reflecting our collective commitment to community service and empowerment.

International Day of Sign Languages

TPL volunteers celebrated the International Day of Sign Languages by engaging with over 200 students at Deaf Reach School through interactive sessions that fostered empathy and inclusivity. The initiative was driven by 15 dedicated volunteers from TPL.

55
volunteer hours
spent engaging

200
students

World Children's Day

TPL hosted 40 children from SOS Children's Village at the Mangrove Biodiversity Park (MBP) for an engaging environmental education session. Through nature walks, mangrove planting, and journaling, the children discovered the wonders of coastal ecosystems, supported by 8 volunteers from TPL.

CONTRIBUTED
24
volunteer hours
on this activity

World Down Syndrome Day

TPL volunteers engaged with neurodiverse individuals at KDSP on World Down Syndrome Day, promoting empathy, inclusion, and self-expression through meaningful one-on-one activities.

20

volunteer hours

spent in these transformative sessions

Blood Donation Drive

In collaboration with Indus Hospital, TPL organized a three-day Blood Donation Drive to help address seasonal shortages in the national blood supply. 30 employees from across TPL volunteered to donate blood, each with the potential to save up to three lives, contributing to this life-saving initiative.

90

Lives Saved

in a three-day blood donation drive

International Day of Women and Girls in Science

TPL hosted a career counseling session for aspiring female scientists and technologists, led by senior women leaders. The session inspired over 40 participants from schools, championing gender equality and encouraging greater participation of women in STEM fields.

06

volunteer hours

spent in these transformative sessions

Fundraising Ride: Cycle For Change

As a Silver Saddle Sponsor, TPL supported The Citizens Foundation's "Cycle for Change" fundraiser, which brought together 80+ cyclists. The initiative funded a full year of education for underprivileged children, underscoring TPL's belief in education as a catalyst for lasting change.

Provided
15 student
fully funded education

International Day Of Persons With Disabilities

TPL partnered with NOWPDP to host a two-day capacity building workshop for 20 hearing and speech impaired individuals, focusing on personal grooming, communication skills, and workplace readiness. The sessions were supported by interpretation services and 3 dedicated TPL volunteers.

DEDICATED
05 hours
to facilitating educational sessions

EMPLOYEE WELL-BEING

At TPL Corp, we believe a healthy and supported workforce is key to both organizational success and positive societal impact. Our holistic approach prioritizes physical, mental, and emotional well-being, empowering employees to prosper in both their personal and professional lives.

Mental Wellness Workshop

TPL partnered with DoctHers to conduct wellness sessions on mindfulness and emotional health, offering interactive one-hour workshops designed to strengthen mental resilience through science-backed techniques. The workshop also included wellness corners at multiple TPL offices, featuring activities such as painting, clay potting, reading, and journaling. These dedicated spaces provided mental breaks for over 250 employees, while fostering creativity and strengthening team connections.

OVER
240 hours
of Involvement in interactive workshops

World Diabetes Day

In collaboration with RIMS Trauma Hospital and Saylani Welfare Trust, TPL organized a series of diabetes awareness and screening sessions across its offices nationwide. These initiatives offered employees free screenings along with expert guidance on prevention and healthy lifestyle practices.

OVER
200
Employee Screened
acrossed offices nationwide

Breast Cancer Awareness

In partnership with Bait-ul-Sukoon Cancer Hospital & Hospice (BSCHH), TPL organized cancer awareness sessions for both male and female employees, promoting early detection and proactive health management.

OVER

300 Employee

attended the cancer awareness session

CLIMATE ACTION

TPL is committed to environmental sustainability through reforestation, clean energy, waste reduction, and water conservation, reducing its footprint and driving collective action for a healthier planet.

World Environment Day

TPL, in collaboration with the Sindh Forest Department, planted mangrove saplings at the Mangrove Biodiversity Park in Korangi Creek, advancing its commitment to plant 10,000 trees to strengthen climate resilience, protect biodiversity, and safeguard coastal ecosystems.

Over
1,000
mangrove saplings
planted at the Mangrove Biodiversity park

Global Climate Movement: Earth Hour

TPL marked Earth Hour by turning off lights for one hour to promote sustainability and climate action. Employees made personal pledges, supported by internal messaging that emphasized how individual actions can drive collective impact.

Over
60 Minutes
of lights-off participation

Mother Earth Day

In collaboration with GarbageCan, TPL organized a beach clean-up activity to help protect marine ecosystems and raise awareness about coastal conservation on the occasion of Mother Earth Day.

15
volunteer hours
of beach clean-up activity

WWF-Pakistan Green Office Initiative

TPL's Green Office Initiative with WWF-Pakistan trained 65 employees in sustainability practices during one-hour sessions, resulting in customized departmental plans to drive measurable and practical environmental action.

65
employees
trained in sustainability practices

ESG Workshop

The REIT Academy Pakistan provided training to the team members of TPL Developments in sustainable facilities management, covering ESG principles, energy conservation, and practical strategies to enhance efficiency while minimizing environmental impact.

02
employees
fully equipped with ESG training

Biodiversity Study Korangi Creek Ecosystem

In collaboration with SCSP, TPL conducted a biodiversity study at the Mangrove Biodiversity Park at Korangi Creek. The study identified numerous species and included the reintroduction of Rhizophora ucronata mangroves with 100% survival, strengthening conservation efforts and climate resilience.

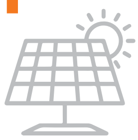
Species identified

70	09	09
Birds	Mamals	Reptiles

Solar Energy At SMCHS

This year, TPL's Shahrah-e-Faisal office generated substantial solar energy, powering the shift to renewables and meeting a portion of its electricity needs while reducing reliance on fossil fuels. The company is also exploring hybrid systems and battery storage to enhance renewable energy efficiency and climate resilience.

3,000+kWh
generated
meeting 2% of electricity needs



World Water Day

TPL's World Water Day campaign highlighted Pakistan's water crisis through awareness sessions, a quiz, and employee pledges to adopt water-saving habits such as fixing leaks and reusing greywater, promoting conscious and responsible water use.

Waste Management and Recycling Program

In partnership with GarbageCan, TPL operates a traceable recycling program across its offices that prevents waste from reaching landfills. Supported by quarterly analytics and employee engagement, the initiative promotes sustainable waste management and builds environmental awareness.

Over
7,000 kg
waste diverted
from reaching landfills

IQAIR Monitoring

TPL installed IQAir devices at its Shahrah-e-Faisal and Korangi Creek offices to monitor air quality, tracking PM2.5, CO_2, temperature, and humidity. The collected data has enhanced ventilation systems and indoor air protocols, supporting employee health and proactive environmental management.

PROGRESS & IMPACT

Through awards and accolades across diverse domains, TPL's commitment to excellence, innovation, and positive societal contribution has been reaffirmed. These honors not only validate our efforts but also inspire us to set higher benchmarks, creating lasting impact for our stakeholders and communities.

AKUH Partnership

TPL was honored with a commemorative plaque from AKUH , presented to Jameel Yusuf S.St., Chairman, TPL Corp, in recognition of the Group's continued support for education and healthcare initiatives. This reflects TPL's enduring commitment to its long-standing and impactful partnership with AKUH.

14TH Annual CSR Awards 2025

TPL was recognized at the 14th Annual CSR Awards for its commitment to corporate citizenship in Pakistan. Through initiatives in sustainability, inclusion, and empathy, the company demonstrates its belief that business can be a force for good, driving positive impact for both society and the planet.

GDEIB Awards 2025

TPL was acknowledged at the GDEIB Awards 2025 for advancing diversity, equity, and inclusion across critical areas, demonstrating its commitment to an inclusive culture grounded in ownership, continuous learning, and compassionate leadership.

SCALING FOR IMPACT

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

MANAGEMENT OBJECTIVES, KPI AND SIGNIFICANT CHANGES

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

   KPI

   Diversity Index - Measure the diversity of the workforce by tracking the percentage of employees from underrepresented groups (e.g., gender, Gen Z, people with disabilities) compared to the total workforce.

   Employee Satisfaction Score - Conduct regular surveys to assess employee satisfaction with the organizational culture, focusing on inclusivity, innovation, and opportunities for growth.

2. **Investment in Technology:** To maintain a competitive edge and operational efficiency, the management continues to invest in technology, including customer relationship management (CRM) platforms for enhanced service delivery and workflow automation tools for efficient task management. These advancements enable seamless customer interactions, real-time progress tracking, and data-driven decision-making, ensuring improved responsiveness and service quality.

   KPI

   Technology Adoption Rate - Track the percentage of employees using new technology tools/systems compared to the total workforce, indicating the successful implementation of technology initiatives.

   System Uptime - Measure the availability of critical systems and applications to ensure smooth operations, with targets for minimal downtime.

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

   KPI

   Customer Lifetime Value (CLV) - Calculate the average CLV to assess the long-term value of acquiring and retaining customers, indicating the success of sustainable customer growth strategies.

   Product Penetration Rate - Monitor the percentage of customers who purchase multiple products/services from TPL Insurance, reflecting cross-selling success and improved profitability per customer.

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

KPI

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

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

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

KPI

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

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

6. **Operational Efficiency Improvement:** The management aims to enhance operational efficiency by streamlining workflows, reducing unnecessary costs, and improving productivity across departments. This includes optimizing resource allocation, leveraging technology for automation, and minimizing process delays to ensure seamless operations.

KPI

Process Automation Rate - Track the percentage of manual processes replaced by automated systems to evaluate efficiency improvements through technology.

Productivity Ratio - Assess the output generated per employee or department against predefined benchmarks to evaluate efficiency and workforce effectiveness.

Turnaround Time for Key Processes - Monitor the average time taken to complete essential business processes to ensure timely execution and operational effectiveness.

5.3 Short, Medium, and Long-Term Strategic Objectives and Strategies in Place to Achieve Objectives

Short-Term Objectives (2026-2027)

- Channel Diversification and Enrichment: Expand distribution through banks, partnerships, brokers, direct to customer and embedded insurance models to enhance market reach.
- Product Innovation: Strengthen micro insurance, agriculture, area yield index, pet, cyber insurance and carculator offerings to address emerging risks and underserved segments.
- Operational Efficiency: Implement process automation, CRM-driven customer engagement, and AI-based risk assessment to improve claim processing and customer experience.
- Customer-Centric Digitization: Enhance self-service portals, digital claims processing, and AI chat bots to reduce turnaround times.
- Regulatory Compliance: Fully integrate IFRS 17 and SECP's evolving guidelines, ensuring transparency in financial disclosures and capital adequacy.

Medium-Term Objectives (2027-2029)

- Market Expansion: Extend presence to Tier II & III cities through digital penetration and localized awareness campaigns.
- Sustainability & ESG Integration: Strengthen climate-resilient insurance products, including yield-based crop insurance and sustainable auto coverage.
- Cross-sell/Upsell: Maximize return on existing customers by increasing product per customer ratio

Long-Term Objectives (2029 and Beyond)

- Industry Leadership in Insurtech: Pioneer automated claims management and predictive underwriting for enhanced security and fraud prevention.
- Expansion into International Markets: Explore business process outsourcing and cross-border digital insurance solutions to target Non-Resident Pakistanis (NRPs).
- Sustainable Growth & Impact: Establish TPL Insurance as the most socially responsible insurer by expanding financial inclusion programs and easily available insurance products.

Resource Allocation Plans to Implement the Strategy

To **successfully implement strategic objectives,** TPL Insurance allocates resources across the following capital areas:

a) Financial Capital

- Investment in digital transformation, including AI-driven underwriting, CRM platforms, and automation tools.
- Expansion of sales and distribution models to increase GWP of the company.

- Brand awareness and recall campaigns to improve acceptability of the brand across all socio-economic segments.

b) Human Capital

- Employee upskilling programs to drive efficiency.
- Diversity & Inclusion policies to enhance workplace culture and attract top industry talent.
- Leadership development initiatives ensuring succession planning and managerial excellence.

c) Manufactured Capital

- Infrastructure investments in IT systems and operational hubs to improve service accessibility.
- Enhanced digital claims and policy issuance platforms to streamline customer journeys.

d) Intellectual Capital

- Development of proprietary algorithms for risk-based pricing and fraud detection.
- AI and IoT integration in motor insurance (telematics-based pricing models).
- R&D on emerging insurance trends (parametric crop insurance via satellite imagery)

e) Social & Relationship Capital

- Partnerships, dealership integrations, and fintech collaborations to boost financial inclusion.
- Customer education initiatives on insurance literacy, ensuring informed decision-making.
- CSR projects focused on community well-being and disaster relief insurance.

f) Natural Capital

- Sustainable insurance products, including climate risk insurance for farmers and cattle fattening livestock insurance programs
- Reducing the company's carbon footprint through digitalization and paperless processes.

Capabilities and Resources That Provide a Sustainable Competitive Advantage

TPL Insurance's **sustainable competitive advantage** is driven by:

- First-Mover Innovation: First company in Pakistan to introduce Pet Insurance, reinforcing leadership in specialized insurance offerings.
- End-to-End Digitalization: Industry-leading AI-powered CRM, automated claims processing, and real-time policy issuance.

- Data-Driven Decision Making: Leveraging AI and predictive analytics for risk profiling, fraud detection, and customer insights.
- Market Diversification: A balanced product portfolio including motor, health, property, engineering, agriculture, solar, and cyber coverage.
- Regulatory Leadership: Proactively adapting to IFRS 17, risk-based capital requirements, and SECP compliance frameworks.

Company's Strategy on Market Development, Product, and Service Development

Market Development Strategy

- Geographic Expansion: Penetrate rural and semi-urban markets through micro insurance and digital distribution models.
- Digital-First Approach: Mobile-first and API-integrated insurance platforms for enhanced customer reach.

Product & Service Development Strategy

- Niche Market Insurance Solutions: Cyber insurance for SMEs, pet, mobile and bike insurance targeting specific segments.
- AI-Driven Personalized Policies: Usage-based insurance models via telematics for motor insurance.
- Utilizing AI driven CRMs: Policy issuance and claim processing automation to streamline customer journey.

Effects of Given Factors on Strategy and Resource Allocation

a) Technological Changes

- Investment in CRM and task automation tools has enhanced service efficiency, marketing effectiveness, and claims resolution speed.

b) Sustainability Reporting & Challenges

- Alignment with ESG goals by introducing climate-resilient insurance and Client Protection Audits
- Challenges: Limited awareness and adoption of eco-friendly insurance products require market education efforts.

c) Innovation Initiatives

- Introduction of digital self-service platforms reducing dependency on physical branches.
- Predictive underwriting models using AI for more accurate risk assessments.

d) Resource Shortages (if any)

- Skilled workforce gaps in data science and insurtech development addressed through employee training and global talent acquisition.

Business Model (Inputs, Activities, Outputs, and Outcomes)

Business Model Elements	TPL Insurance Approach
Inputs	Financial Capital, Technology Investments, Human Capital
Business Activities	Product Development, Underwriting, Claims Processing, Risk Management
Outputs	Issued Policies, Claims Processed, Market Expansion (Insurance Penetration Expansion)
Outcomes	Increased GWP, Customer Satisfaction, Sustainable Growth, Market Development

Alignment with Forward-Looking Disclosures from Last Year

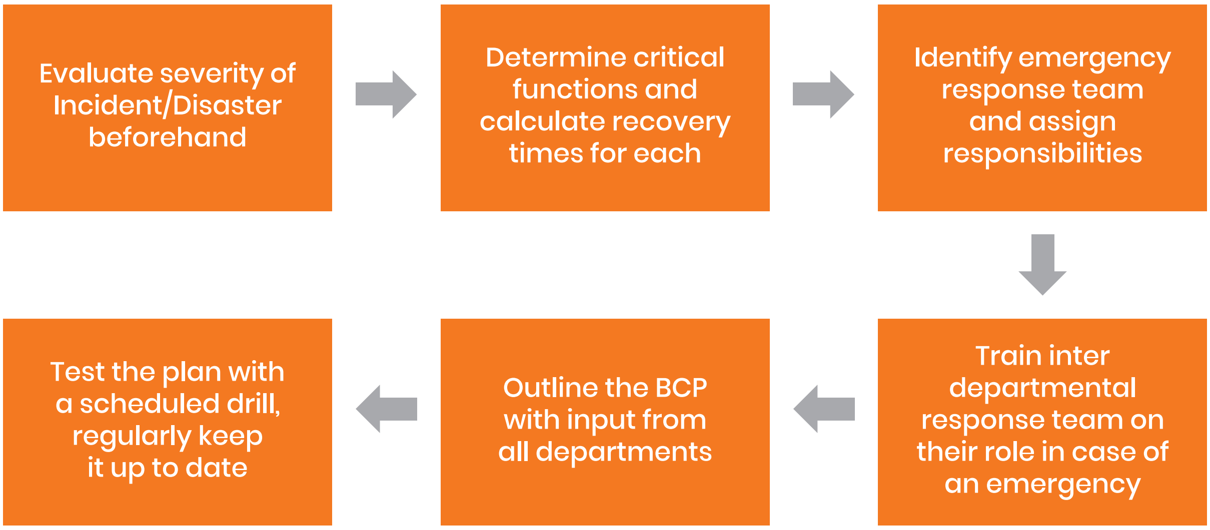
- Achieved PKR 5.8 Billion GWP, aligned with the growth objectives outlined in last year's report.
- Expanded into Tier II & III cities, fulfilling prior commitments to increase financial inclusion.
- Rolled outTitania, delivering on planned product innovation initiatives.
- Implemented a dedicated CRM, aligning with strategic goals to streamline service delivery, automate customer engagement, and improve marketing effectiveness

BUSINESS CONTINUITY PLAN

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

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

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



FORWARD LOOKING STATEMENT 2026

As Pakistan continues to navigate a period of economic adjustment alongside accelerating digital transformation, TPL Insurance remains firmly committed to expanding insurance accessibility through innovation, strategic partnerships, and operational excellence. Our strategic focus for 2026 centers on strengthening digital distribution, enhancing customer engagement, and delivering protection solutions that are simpler to access, faster to service, and tailored to evolving customer expectations.

The global and regional environment continues to face heightened uncertainty driven by geopolitical tensions and ongoing conflicts impacting international markets and economic stability. Such developments have contributed to market volatility and broader economic pressures that may influence consumer confidence and business activity. While these external dynamics present challenges, TPL Insurance remains confident in its ability to navigate uncertainty through disciplined growth, prudent risk management, and operational resilience.

A key strategic priority for 2026 is expanding into micro and embedded insurance through B2B2C partnerships with telecommunication providers, financial institutions, marketplaces, and e-commerce platforms. By integrating insurance offerings seamlessly within everyday digital ecosystems, we aim to significantly broaden access to protection solutions across diverse customer segments. Supported by our wide-ranging product portfolio, TPL Insurance will continue developing personalized solutions that reflect varying customer behaviors, affordability levels, and risk profiles.

Operational efficiency and technological advancement will remain central to our growth agenda. We will focus on accelerating process digitization, deploying targeted AI-enabled solutions, and strengthening technology infrastructure to bridge operational gaps and enhance decision-making capabilities. At the same time, greater utilization of our CRM platforms will help improve customer engagement, optimize lead management, and strengthen retention across the customer lifecycle.

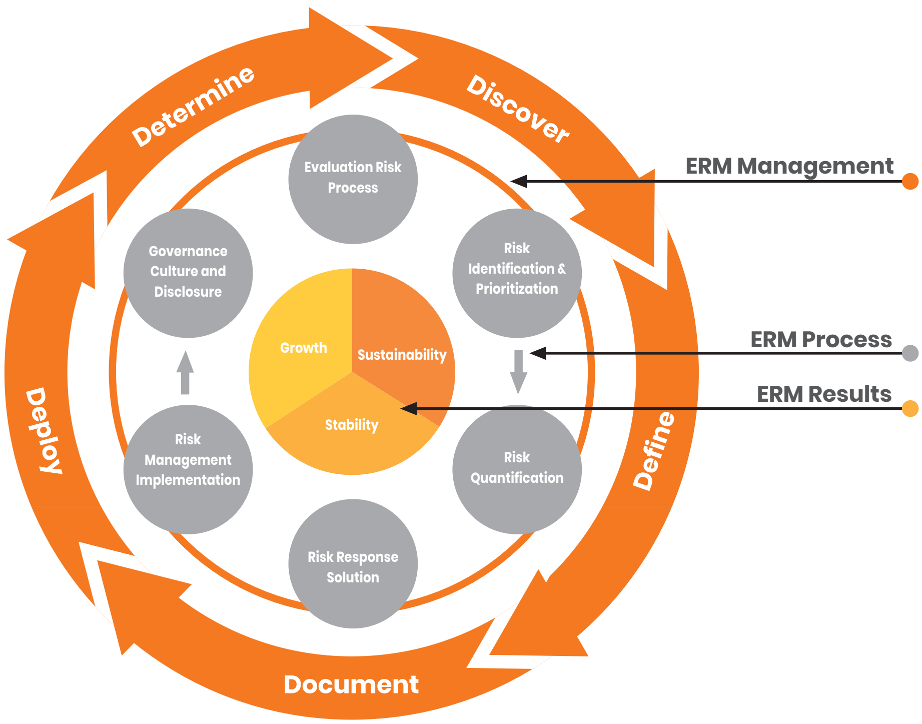
As the insurance landscape evolves, our ambition remains clear: when individuals and businesses think of insurance, TPL Insurance should be their first and most trusted choice.

ENTERPRISE RISK MANAGEMENT

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

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

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



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

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

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

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

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

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

RISK MANAGEMENT METHODOLOGY

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

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

Phase 1: Risk Assessment:

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

Phase 2: Risk Treatment

Phase 3: Review, Monitoring and Reporting

Phase 1: Risk Assessment

Risk Assessment process has covers the following:

i. Risk Identification:

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

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

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

ii. Risk Analysis

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

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

1 - Analyse the inherent risk

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

2 - Identify and assess controls

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

3 - Analyse the residual risk

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

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

Step 1: Analyze the Inherent Risk

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

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

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

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

<table>
<tr><th>Consequence/ Impact Scale</th><th>Guiding Measures</th></tr>
<tr><td>Major</td><td>The risk is likely to have a serious effect on organizational operations, reputation, organizational assets, or individuals.

Implications

<table>
<tr><td>Financial</td><td>More than Rs.500 Million but less than Rs. 1 Billion</td></tr>
<tr><td>Operational</td><td>Widespread failure or loss of product/service standards.</td></tr>
<tr><td>Brand/ Reputation</td><td>Loss of a large number of customers to competitor organization.
Loss of suppliers/ service providers.
Loss of significant skills from Board or Senior Management.
Sustained public criticism of the organization.</td></tr>
<tr><td>Legal/ Regulatory</td><td>Civil action against organization and/or Board due to negligence.
New regulations that impede operations.</td></tr>
</table></td></tr>
<tr><td>Critical</td><td>A risk that can prove catastrophic or terminal for the whole organization.

It may affect organizational operations, reputation, organizational assets, or individuals; it may lead to loss of significant customer(s), litigations and hefty financial penalties.

Implications

<table>
<tr><td>Financial</td><td>More than Rs. 1 Billion</td></tr>
<tr><td>Operational</td><td>Unable to deliver product/ services.
Prohibited from service delivery at any level.
Loss of significant number of customers to competitor organization.</td></tr>
<tr><td>Brand/ Reputation</td><td>Collapse of organization.
Major inquiry into systemic misconduct.
Wholesale resignation of Board Members or Senior Management.</td></tr>
<tr><td>Legal/ Regulatory</td><td>Criminal prosecution of organization and/or Board due to failure to comply with the law.</td></tr>
</table>
It may be caused due to significant errors in financial information, non-compliance with regulatory requirements, or contractual terms, security breach of mission critical system; significant control weaknesses, etc.</td></tr>
</table>

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

Likelihood/ Probability

Impact/ Consequence

	Rare	Unlikely	Possible	Likely	Highly Probable
Critical	Low	Medium	High	High	Extreme
Major	Low	Medium	Medium	High	High
Material	Low	Medium	Medium	Medium	High
Minor	Low	Low	Medium	Medium	Medium
Insignificant	Low	Low	Low	Low	Low

Step 2: Identify and Assess Controls

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

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

Step 3: Analyze the Residual Risk

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

Phase 2: Risk Evaluation

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

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

Phase 3: Risk Treatment

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

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

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

RISKS & OPPORTUNITIES

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

Through its innovative practices, wider group engagement and attitude towards challenging market norms, the Company has successfully completed acquisitions by international stakeholders. This was a done through SWOT analysis conducted by relevant parties, placing trust into company's board, management and everyone in order take direct the Company to new heights of success.

The Company has planned on building a new independent function as Risk Management and Actuarial Control to provide integration with operating activities and develop strategic viewpoint. The RMAC function would be headed by a senior risk and actuarial professional, possessing international experience, skills and qualification, in line with the best practices followed globally. This function would provide continuous invaluable feedback actively and shall assist in mitigating surprises in the underwriting and financial performance as well as achieve larger strategic objectives of the Company.

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

Key Risks	Mitigating Strategies
Political and Economic Risks	
Challenges in the business due to the political and economic uncertainty may become a snag in the achievement of Business objectives.	The Company is working on diversifying its insurance portfolio to reduce its exposure to political risk. This is done via active monitoring of the macro-economic indicators and geo-political development. The Company also has established the Strategy & Transformation Department to monitor and devise strategies to minimize exposure to political and economic risks.
Regulatory Risk	
The Company is operating in an industry with high regulations. Failure to meet those regulatory standards and requirements would expose the Company to various penalties and would increase reputational risk. Furthermore, the adoption of IFRS17 standard is a next regulatory risk and an industry-wide challenge for implem-entation with high implementation costs.	The Company is cognizant of its responsibilities and thus has established a Compliance Department which is responsible to keep tracks of important deadlines and ensures all the mandatory requirements are met timely. The Company has setup a steering committee headed by one of its senior management member to oversee the implementation of IFRS 17. The Company has also hired external consultants to assist in the implementation process.
Reinsurance Risks	
Reinsurance risk is the risk that reinsurance partners are unable to discharge their liabilities which makes the Company liable to the insured fully.	The Company only deals with reinsurance counterparties having strong financial strength ratings to minimize these risks. Reinsurance diversification has been considered when assessing RI risks and the Company actively monitors the reinsurance exposures to safeguard its reinsurance assets.
Investment Risk	
Changes in the macro economic factors may affect the stock market and interest rates which impacts the Company's cash flows	The Company observes a prudent policy to minimize its risks through diversification of its portfolio and dedicating a specialized department to continuously monitor relevant fixed income, mutual funds and equity investments. The investments are set in structure to ensure cash flow requirements are matched and that the investment characteristics are suitable to the liabilities.
Liquidity Risk	
The Company may not be able to meet its financial obligations towards insured.	The Company manages its liquidity by sustaining strong cash flow position and regular monitoring of maturity profile of financial assets and liabilities.

Key Risks	Mitigating Strategies
Solvency Risk	
The Company may not be able to meet its Solvency requirements as defined by the commission.	The Company may not be able to meet its Solvency requirements as defined by the commission. The Company has high solvency margin, which are actively monitored on the quarterly basis with focus on change analysis. The Company assesses its solvency position before going into large contracts, keeping view of reinsurance impact.
Cyber Risk	
Any risk of financial loss, disruption or damage to the reputation of TPLI from failure of its information technology systems.	The Company has implemented strong controls including firewall, antivirus solutions and backup and recovery systems to minimize the risks posed by cyber risks.
People & Environment Risk	
People are the single most important asset in any business but they are also the most vulnerable asset.	People are the single most important asset in any business but they are also the most vulnerable asset. At TPLI, High graduate Level Intake as per HR policy with background checks. Market based remuneration and adjustments made at annual appraisals. Long term benefits like PF is offered. Group insurance, health insurance covers are taken for each employee. Training is regularly imparted across the board.

Opportunities Assessment Developments

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

The Company is also concentrating on the other line of business and to maximize its return on earning assets. This includes development of new lines of business particularly livestock business to participate and safeguard economic growth of the Country. Furthermore, the Company is actively focusing on Area Yield Index Insurance, which provides farmers with financial protection based on regional yield performance. The Company conducted a comprehensive risk and opportunity assessment with partnering companies and understood and assess potential solvency impact.

Materiality Approach

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

Key sources of uncertainty

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

Debt Repayment

The Company has not defaulted in payment of any debts and there is not any pending litigation against company, other than in ordinary course of business, as at December 31, 2024.

QUALITY POLICY

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

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

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INDEPENDENT AUDITOR'S REPORT

To the members of TPL Insurance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **TPL Insurance Limited** ("the Company"), which comprise the statement of financial position as at December 31, 2025, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to and forming part of the financial statements, including a material accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of comprehensive income, statement of changes in equity and 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 profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matter(s):

S.No.	Key audit matters	How the matter was addressed in our audit
1.	**Insurance Liabilities** The Company's liability relating to outstanding claims including Incurred but not reported (IBNR) aggregating to Rs. 1,347.30 million represent 22.31% of the Company's total liabilities. Valuation of these claim liabilities involves Company's judgement regarding	Our procedures in respect of this matter included the following: ● Obtained an understanding of relevant controls over the process of capturing, processing and recording of information related to the claims.

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S.No.	Key audit matters	How the matter was addressed in our audit
	uncertainty in the estimation of claim payments, and assessment of frequency and severity of claims. Furthermore, the Company also maintains a provision for claims including IBNR based on the advice of an independent actuary. The actuarial valuation methodology involves estimates and the use of actuarial assumptions. Due to the significant judgment and estimation required to determine the obligations relating to outstanding claims including IBNR, we consider it to be a Key Audit Matter. Refer to note 4.4 and 23 to financial statements relating to outstanding claims including (IBNR).	• Assessed the appropriateness of the Company's accounting policy for recording of claims in line with the requirements of applicable accounting and reporting standards; • Tested, on sample basis, claims transactions with the underlying documentation to evaluate whether the claims reported are recorded in accordance with the Company's policy and applicable insurance regulations, and assessed the sufficiency of reserving claim liabilities; • Obtained an understanding of the work performed by the management expert (actuary) for determining provision for claims Incurred But Not Reported and tested underlying data used; • Using an external actuarial specialist to assist us in evaluation of methodology, actuarial assumptions and basis adopted for actuarial valuations in respect of IBNR provisions; and • Evaluating the adequacy of the disclosures made by the Company with regard to applicable accounting and reporting standards.
2.	**Premium** The company generates its income primarily from premium. Premium from insurance policies amount to Rs 4,293.84 million. We identified premium earned as a key audit matter because it is a key performance indicator of the Company and possess a risk of overstatement by recording transactions that may not have occurred. Refer note 4.2 and 22 of the annexed financial statements relating to premiums.	Our audit procedures, amongst other procedures included the following: • Obtaining an understanding of the Company process for recognition of premium and evaluating 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.

S.No.	Key audit matters	How the matter was addressed in our audit
		● Assessing the appropriateness of the Company's accounting policy for recognition of premium, in compliance with applicable accounting and reporting standards ● Using an appropriate sample, tested premium underwritten close to year end and subsequent to year end to evaluate that revenue from premiums was recognised in the appropriate accounting year in compliance with the applicable accounting and reporting standards. ● Recalculating the unearned portion of premium underwritten and ensuring that the appropriate amount is recorded in the current year. " Evaluating the adequacy of the disclosures made by the Company with regard to applicable accounting and reporting standards.

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

Management is responsible for the other information. The other information comprises the information included in the Company's 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 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account;

c) investments made, expenditures 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).

Other Matter

The annual financial statements of the Company for the year ended December 31, 2024 were audited by another firm of Chartered Accountants, whose audit report date March 04, 2025 expressed an unmodified opinion on the aforementioned financial statements.

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

Grant Thornton Anjum Rahman

Chartered Accountants
Karachi
Date: April 02, 2026
UDIN: AR202510154rwu6pLMGx

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	2025	2024
		---------- (Rupees) ----------	
ASSETS			
Property and equipment	6	**350,222,499**	313,172,218
Intangible assets	7	**22,561,980**	8,251,406
Investments			
Equity securities and mutual fund units	8	**63,968,765**	548,745,965
Government securities	9	**252,853,325**	248,329,807
Term deposits	10	**1,403,685,398**	1,284,673,933
Loans and other receivables	11	**632,079,611**	543,801,232
Insurance / reinsurance receivables	12	**1,241,214,019**	904,024,076
Reinsurance recoveries against outstanding claims		**710,912,901**	486,894,604
Salvage recoveries accrued		**444,397,811**	283,310,869
Deferred commission expense	24	**263,028,866**	298,538,985
Deferred taxation - net	13	**31,840,419**	-
Prepayments	14	**416,636,720**	547,143,931
Cash and bank balances	15	**2,995,395,221**	2,472,114,002
Total assets		**8,828,797,535**	7,939,001,028
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital	16	**1,986,444,620**	1,983,944,620
Share premium - net of share issuance cost	17	**42,798,048**	42,798,048
Other capital reserves	17	**124,635,000**	124,635,000
Accumulated profits	17	**622,033,908**	481,193,126
Other comprehensive income reserve	17	**(5,078,068)**	110,258,054
Total shareholders' fund		**2,770,833,508**	2,742,828,848
Participant's Takaful Fund			
Ceded money	18	**2,000,000**	2,000,000
Accumulated surplus / (deficit)	18	**15,694,461**	5,734,289
Total participant's takaful fund		**17,694,461**	7,734,289
Total equity		**2,788,527,969**	2,750,563,137
Liabilities			
Underwriting provisions			
Outstanding claims including IBNR		**1,347,301,370**	1,051,838,081
Unearned premium reserves		**2,694,850,721**	2,442,784,326
Unearned reinsurance commission		**92,029,176**	130,928,529
Premium deficiency reserve		**6,253,437**	11,035,585
Premium received in advance		**4,486,871**	12,289,866
Insurance / reinsurance payables	19	**460,771,818**	463,187,328
Other creditors and accruals	20	**1,165,988,061**	716,093,455
Lease liability against right-of-use asset		**122,837,153**	140,008,405
Deferred taxation	13	**-**	37,247,077
Taxation - provision less payment		**145,750,959**	183,025,239
Total liabilities		**6,040,269,566**	5,188,437,891
Total equity and liabilities		**8,828,797,535**	7,939,001,028

Contingencies and commitments 21

The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		---------- (Rupees) ----------	
Net insurance premium	22	**4,293,837,732**	3,424,144,365
Net Insurance claims expense	23	**(2,167,527,894)**	(1,656,312,983)
Reversal / (charge) of premium deficiency reserve		**4,782,148**	(2,040,379)
Net commission expense & other acquisition cost	24	**(401,854,629)**	(350,687,723)
Insurance claims and commission expense		**(2,564,600,375)**	(2,009,041,085)
Management expenses	25	**(1,640,787,713)**	(1,378,191,475)
Underwriting results		**88,449,644**	36,911,805
Investment income	26	**207,391,272**	388,827,558
Other income	27	**141,286,040**	78,943,797
Other expenses	28	**(354,028,407)**	(330,999,062)
Results of operating activities		**83,098,550**	173,684,098
Financial charges	29	**(27,305,122)**	(28,984,846)
Profit before taxation for the year		**55,793,428**	144,699,252
Profit before tax from Window Takaful Operations		**(9,960,172)**	(50,318,226)
Profit before taxation and minimum tax differential		**45,833,256**	94,381,026
Minimum tax differential	30	**-**	(29,097,289)
Profit before taxation		**45,833,256**	65,283,737
Taxation	31	**1,842,646**	(43,974,181)
Profit after taxation		**47,675,902**	21,309,556
Other comprehensive income:			
Changes in fair value of investments classified as financial assets at fair value through other comprehensive income		**(69,282,194)**	57,288,503
Related tax impact		**47,110,952**	(16,614,070)
Other comprehensive (loss) / income for the year		**(22,171,242)**	40,674,433
Total comprehensive income for the year		**25,504,660**	112,302,215
Earnings (after tax) per share - Rupees	32	**0.24**	0.11
Net profit attributable to shareholders' fund		**47,675,902**	21,309,556
Net surplus attributable to Participants' Takaful Fund		**9,960,172**	50,318,226
		57,636,074	71,627,782
Other comprehensive (loss) / income attributable to shareholders' fund		**(22,171,242)**	40,674,433
Other comprehensive loss attributable to Participants' Takaful Fund		**-**	-
		(22,171,242)	40,674,433

The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

	Share capital	Reserves									Total
		Capital reserves					Revenue reserves				
		Net share premium			Other capital reserves (Note 17.1)	Total	Accumulated profit	Unrealized appreciation / (diminution) - fair value through other Comprehensive Income	Total		
		Share premium	Share issuance cost	Net share premium							
	---------- (Rupees) ----------										
Shareholders' Fund:											
Balance as at January 1, 2024	1,983,944,620	111,094,988	(68,296,940)	42,798,048	124,635,000	167,433,048	459,883,570	69,583,621	529,467,191		2,680,844,859
Net profit for the year	-	-	-	-	-	-	21,309,556	-	21,309,556		21,309,556
Other comprehensive income	-	-	-	-	-	-	-	40,674,433	40,674,433		40,674,433
Total comprehensive income	-	-	-	-	-	-	21,309,556	40,674,433	61,983,989		61,983,989
Dividend paid during the year	-	-	-	-	-	-	-	-	-		-
Balance as at December 31, 2024	1,983,944,620	111,094,988	(68,296,940)	42,798,048	124,635,000	167,433,048	481,193,126	110,258,054	591,451,180		2,742,828,848
Balance as at January 1, 2025	**1,983,944,620**	**111,094,988**	**(68,296,940)**	**42,798,048**	**124,635,000**	**167,433,048**	**481,193,126**	**110,258,054**	**591,451,180**		**2,742,828,848**
Net profit for the year	-	-	-	-	-	-	**47,675,902**	-	**47,675,902**		**47,675,902**
Transfer from OCI to retained earning on disposal of investment	-	-	-	-	-	-	**93,164,880**	**(93,164,880)**	-		-
Shares issued during the year	**2,500,000**	-	-	-	-	-	-	-	-		**2,500,000**
Other comprehensive loss	-	-	-	-	-	-	-	**(22,171,242)**	**(22,171,242)**		**(22,171,242)**
Total comprehensive income for the year	**2,500,000**	-	-	-	-	-	**140,840,782**	**(115,336,122)**	**25,504,660**		**28,004,660**
Balance as at December 31, 2025	**1,986,444,620**	**111,094,988**	**(68,296,940)**	**42,798,048**	**124,635,000**	**167,433,048**	**622,033,908**	**(5,078,068)**	**616,955,840**		**2,770,833,508**

The annexed notes from 1 to 43 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025

	Ceded money	Accumulated surplus / (deficit)	Total
	--------------------	(Rupees)	--------------------
Participants' Takaful Fund:			
Balance as at January 1, 2024	2,000,000	(44,583,937)	(42,583,937)
Surplus for the year	-	50,318,226	50,318,226
Balance as at December 31, 2024	2,000,000	5,734,289	7,734,289
Balance as at January 1, 2025	**2,000,000**	**5,734,289**	**7,734,289**
Surplus for the year	**-**	**9,960,172**	**9,960,172**
Balance as at December 31, 2025	**2,000,000**	**15,694,461**	**17,694,461**

The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

DIRECTOR

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	---------- (Rupees) ----------	
Operating cash flow		
(a) Underwriting activities		
Insurance premium received	5,386,701,238	4,848,432,282
Reinsurance premium paid	(960,607,601)	(1,200,594,748)
Claims paid	(3,322,368,574)	(2,361,991,149)
Reinsurance and other recoveries received	1,038,813,425	779,170,747
Commission paid	(538,190,369)	(594,423,589)
Commission received	250,546,250	278,649,976
Management and other expenses paid	(1,793,771,782)	(1,533,235,968)
Net cash flow from underwriting activities	61,122,587	216,007,551
(b) Other operating activities		
Income tax paid	(11,343,187)	(59,898,222)
Direct expenses paid	(50,042,956)	(42,546,116)
Other operating payments	300,462,046	130,712,974
Loans advanced	(12,557,702)	(10,998,416)
Loan repayment received	14,477,316	9,432,652
Net cash used in other operating activities	240,995,517	26,702,872
Total cash generated from all operating activities	302,118,104	242,710,423
Investment activities		
Mark up / return received	187,183,044	333,516,485
Dividend received	132,798	119,693
Payment for investments	(4,523,518)	-
Proceeds from investments	339,192,645	236,847,151
Proceeds from sale of property and equipment	95,233,001	7,425,953
Fixed capital expenditure	(131,889,959)	(58,093,858)
Total cash generated from investing activities	485,328,011	519,815,424
Financing activities		
Cash dividend Paid	-	(199,095,687)
Lease obligation paid	(136,755,937)	(139,744,227)
Proceeds from issuance of shares	2,500,000	-
Financial charges paid	(10,897,494)	(9,311,564)
Total cash used in financing activities	(145,153,431)	(348,151,478)
Net cash generated from all activities	642,292,684	414,374,370
Cash and cash equivalents at beginning of year	3,756,787,935	3,342,413,565
Cash and cash equivalents at end of year	4,399,080,619	3,756,787,935
Reconciliation to statement of comprehensive income		
Operating cash flows	302,118,104	242,710,421
Depreciation / amortization / bad debt expense	(110,974,670)	(138,109,034)
Charge of premium deficiency reserve	4,782,148	(2,040,379)
Income tax paid	13,228,846	60,529,856
Provision for taxation	4,371,157	(70,097,925)
Financial charges	(24,797,084)	(28,984,846)
Other Income	11,514,482	-
Investment Income	207,662,039	388,827,560
Increase in assets other than cash	381,944,535	145,896,048
Increase in liabilities other than borrowings	(732,213,483)	(527,103,919)
Profit after taxation	57,636,074	71,627,782

Cash comprises of cash in hand, policy stamps, bank balances and term deposits which are readily convertible to cash in hand and which are used in the cash management function on a day-to-day basis.
The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 TPL Insurance Limited (the Company) was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) to carry on general insurance business. The Company was allowed to work as Window Takaful Operator on September 04, 2014 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The Company is listed at Pakistan Stock Exchange Limited. The principal office of the Company is located at 20th Floor, Sky Tower – East Wing, Dolmen City, HC-3, Abdul Sattar Edhi Avenue, Block No. 4 Clifton, Karachi, Pakistan. The Company is owned 53.81% by TPL Corp Limited. Further 0.73% (December 31, 2024: 0.73%) shares are held by TPL Holdings (Private) Limited, the ultimate parent company.

1.2 The Company operates through the following locations in Pakistan;

Locations	Address
Head Office	19-B, S.M.C.H.S, Karachi Postal Code: 74900.
Lahore Branch	Tower 75, 4th Floor, Near Honda City Sales & Hyundai Central Motors, Kalma Chowk, Lahore.
Islamabad Branch	CBC Building, 2nd Floor, G-8 Markar Islamabad.
Faisalabad Branch	P-6161, West Canal Road, adjacent to Toyota Faisalabad Motors & behind HBL Canal Road Br, Faisalabad.
Multan Branch	Haider Street, Shalimar Colony, Northern Bypass-Boson Road, Multan.
Hyderabad Branch	A-8/9, District Council Complex, Hyderabad.
Export Processing Zone Branch	Plot # N-4, Sector B-III, Phase-1, Export Processing Zone, Landhi, Karachi.

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

2 BASIS OF PREPARATION

2.1 "These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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, Insurance Accounting Regulations, 2017, Takaful Rules, 2012, and General Takaful Accounting Regulations 2019,

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

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

2.1.2 SECP, via S.R.O. 311(I)/2025 dated March 3, 2025, has amended the General Takaful Accounting Regulations, 2019. The amendments allow insurers having Window Takaful Operations to consolidate the assets, liabilities, income and expenses of Window Takaful Operations (i.e., OPF and PTF) with conventional business in the financial statements if they represent 25% or more of total gross contributions. Detailed notes and segment disclosures under IFRS 8 are required to provide breakdown of WTO and Conventional items.

As the Company's Window Takaful Operations meet the prescribed threshold, the Company has incorporated this in these condensed financial statements. In compliance with the amended regulations, the Company has also provided detailed notes and segment disclosures in accordance with IFRS 8, presenting a complete breakdown of Window Takaful Operations and conventional business.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

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

There were certain amendments to accounting and reporting standards which became effective for the company for the current year. However, these are considered not to be relevant or have any significant impact on the company's financial reporting and therefore, have not been disclosed in these 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.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	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
IFRS 17 Insurance Contracts	January 01, 2027

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

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

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Insurance contracts

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

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

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

Fire and Property

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

Marine

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

Motor

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

Health

Accident and health insurance contracts mainly compensates hospitalization and out-patient medical coverage to the insured.

Miscellaneous

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

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

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

4.2 Premium

Premium income under a policy is recognized, evenly over the period of insurance from the date of issuance of the policy till the date of its expiry.

Administrative surcharge is recognised over the period of policy.

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

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

4.3 Reinsurance contracts

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

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

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets.

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

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

4.4 Claims expense

Insurance claims include all claims incurred during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, and any adjustments to claims outstanding from previous years.

The Company recognises liability in respect of all claims incurred upto the statement of financial position date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in an insurance contract.

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

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

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

4.5 Reinsurance recoveries against outstanding claims

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

4.6 Commission

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

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

4.7 Premium deficiency reserve

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

For this purpose, loss ratios for each class are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, premium deficiency is determined. Further actuarial valuation has been carried out to determine the amount of premium deficiency reserve in respect of Health insurance as required by SRO 16 (I) / 2012 issued by Securities and Exchange Commission of Pakistan on January 09, 2012.

4.8 Staff retirement benefits

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

4.9 Taxation

4.9.1 Current

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

4.9.2 Levy

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

4.9.3 Deferred

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

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

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

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

4.10 Management expenses

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

4.11 Provisions

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

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

4.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, stamps in hand deposits with banks (except for the deposit placed with statutory requirement) net off short term running finance, and short term maturity of three months or less from the date of acquisition.

4.13 Prepayments

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

4.14 Property and equipment

4.14.1 Operating assets

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

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

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

4.14.2 Right of use assets and related lease liabilities

At the inception of the contract, the Company assesses whether a contract is, or contains, a lease. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented within note 6.2 and are subject to impairment in line with the Company's policy as described in note 4.16.

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

4.14.3 Ijara

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

4.14.4 Capital work-in-progress

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

4.15 Intangible assets

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

4.16 Financial instruments

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

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

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

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

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

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

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

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

Financial assets

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

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

Financial assets measured 'at amortised cost'

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

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

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

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

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

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

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

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

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

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

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

Offsetting of financial assets and financial liabilities

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

4.17 Impairment

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

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

4.18 Foreign currency translations

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

4.19 Revenue recognition

a) Premium

The revenue recognition policy for premiums is given under note 4.2.

b) Commission from reinsurers

The revenue recognition policy for commission from reinsurer is given under note 4.6.

c) Dividend income

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

d) Gain / loss on sale / redemption of investments

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

e) Income on amortized cost investments

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

f) Mark up on bank accounts and deposits

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

4.20 Operating segments

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

The Company has five primary business segments for reporting purposes namely, fire and property, marine, health, motor and miscellaneous. The nature and business activities of these segments are disclosed in note no. 4.1.

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

4.21 Share capital, reserve and dividend appropriation

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

4.22 Employees share option plan

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

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

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

4.23 Contingencies

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

4.24 Earnings per share

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting polices. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Reinsurance recoveries against outstanding claims (note 4.5)
Provision against premium due but unpaid - (note 4.2)
Provision for outstanding claims including IBNR (note 4.4)
Premium deficiency reserve (note 4.7)
Provision for current and deferred tax (note 4.9)
Classification of investments and impairment (note 4.16)
Employee share scheme (note 4.22)
Useful lives and residual value of assets and methods of depreciation (note 4.14)
Provision for impairment (note 4.17)
Salvage recoveries - (note 4.5)
Contingencies (note 4.23)

6 PROPERTY AND EQUIPMENT

		2025			2024		
		WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	Note	------------- (Rupees) -------------			------------- (Rupees) -------------		
Operating Assets	6.1	-	199,677,115	199,677,115	-	159,037,293	159,037,293
Right of use Assets	6.2	46,215,001	104,330,383	150,545,384	30,645,763	123,489,162	154,134,925
		46,215,001	304,007,498	350,222,499	30,645,763	282,526,455	313,172,218

	2025									
	Cost				Accumulated Depreciation				Written Down Value	Depreciation Rate %
	As at January 1, 2025	Additions	Disposals / Write-offs	As at December 31, 2025	As at January 1, 2025	Charge for the Year	Disposals / Write-offs	As at December 31, 2025	As at December 31, 2025	
6.1 Operating Assets	----------------------- (Rupees) -----------------------									
Owned										
Leasehold Improvements	87,139,738	4,211,500	-	91,351,238	41,108,849	13,780,530	-	54,889,379	36,461,859	10 - 20
Computer equipments	114,352,172	14,334,154	-	128,686,326	86,649,712	14,784,502	-	101,434,214	27,252,112	33.33
Furniture and fixtures	55,209,478	7,252,855	(20,275,733)	42,186,600	32,252,782	7,617,285	(11,264,786)	28,605,280	13,581,320	10 - 20
Office equipments	64,041,003	2,933,830	(82,500)	66,892,333	30,203,863	12,510,239	(19,325)	42,694,777	24,197,556	20
Motor vehicles	121,000,657	99,645,120	(106,991,157)	113,654,620	92,490,549	14,744,543	(91,764,740)	15,470,352	98,184,268	20
	441,743,048	128,377,459	(127,349,390)	442,771,117	282,705,755	63,437,099	(103,048,851)	243,094,002	199,677,115	

	2024									
	Cost				Accumulated Depreciation				Written Down Value	Depreciation Rate %
	As at January 1, 2024	Additions	Disposals / Write-offs	As at December 31, 2024	As at January 1, 2024	Charge for the Year	Disposals / Write-offs	As at December 31, 2024	As at December 31, 2024	
Owned	(Rupees)									
Leasehold Improvements	87,139,738	-	-	87,139,738	27,632,865	13,475,984	-	41,108,849	46,030,889	10 - 20
Computer equipments	102,348,991	22,898,952	(10,895,771)	114,352,172	83,286,298	13,967,360	(10,603,945)	86,649,712	27,702,459	33.33
Furniture and fixtures	53,318,244	3,225,000	(1,333,766)	55,209,478	26,196,204	7,390,344	(1,333,766)	32,252,782	22,956,697	10
Office equipments	47,635,959	18,156,152	(1,751,108)	64,041,003	21,551,648	10,291,901	(1,639,687)	30,203,863	33,837,140	20
Motor vehicles	109,386,520	12,640,000	(1,025,864)	121,000,657	88,023,973	5,492,440	(1,025,864)	92,490,549	28,510,108	20
	399,829,452	56,920,104	(15,006,509)	441,743,048	246,690,988	50,618,029	(14,603,262)	282,705,754	159,037,293	

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

6.1.2

Category of assets	Cost	Accumulated Depreciation	Book value	Sale proceeds	Gain/ (loss)	Mode of disposals	Sold to
	(Rupees)						
Motor Vehicle	**45,596**	**45,596**	**-**	**13,000**	**13,000**	Insurance Claims	Insurance Company
Motor Vehicle	**18,125,000**	**18,125,000**	**-**	**10,000,000**	**10,000,000**	Negotiation	Consol shiping services Pakistan
Motor Vehicle	**10,134,532**	**10,134,532**	**-**	**5,570,000**	**5,570,000**	Transfer	TPL Trakker
Motor Vehicle	**13,125,000**	**13,125,000**	**-**	**20,000,000**	**20,000,000**	Transfer	TPL Properties
Motor Vehicle	**30,666,472**	**30,666,472**	**-**	**5,000,000**	**5,000,000**	Transfer	TPL Corp
Motor Vehicle	**2,051,282**	**2,051,283**	**(1)**	**3,150,000**	**3,150,001**	Transfer	TPL Corp
Motor Vehicle	**3,500,000**	**3,500,000**	**-**	**4,000,000**	**4,000,000**	Transfer	TPL Development
Motor Vehicle	**1,400,000**	**1,400,000**	**-**	**2,500,000**	**2,500,000**	Transfer	TPL Corp
Motor Vehicle	**16,163,999**	**7,004,400**	**9,159,599**	**11,500,000**	**2,340,401**	Transfer	TPL Development
Motor Vehicle	**4,800,000**	**2,560,000**	**2,240,000**	**30,000,000**	**27,760,000**	Transfer	TPL Properties
Motor Vehicle	**3,500,000**	**185,567**	**3,314,433**	**3,500,000**	**185,567**	Transfer	TPL Corp
Furniture and fixtures	**3,302,208**	**2,559,211**	**742,997**	**742,997**	**-**	Transfer	TPL Corp
Furniture and fixtures	**1,300,000**	**411,667**	**888,333**	**888,333**	**-**	Transfer	TPL Corp
Furniture and fixtures	**750,000**	**119,792**	**630,208**	**630,208**	**-**	Transfer	TPL Corp
Furniture and fixtures	**675,000**	**107,917**	**567,083**	**567,083**	**-**	Transfer	TPL Corp
Furniture and fixtures	**1,100,000**	**175,209**	**924,791**	**924,791**	**-**	Transfer	TPL Corp
Furniture and fixtures	**1,500,000**	**37,500**	**1,462,500**	**1,462,500**	**-**	Transfer	TPL Corp
	112,139,089	**92,209,146**	**19,929,944**	**100,448,912**	**80,518,969**		

6.2 Right-of-use assets

	2025											
	Cost					Accumulated Depreciation					Written Down Value	Depreciation Rate %
	As at January 1, 2025	Additions	Matured	Modification	As at December 31, 2025	As at January 1, 2025	Charge for the Year	Matured	Modification	As at December 31, 2025	As at December 31, 2025	
	(Rupees)											
Office premises	179,961,899	69,366,359	-	(17,802,414)	231,525,845	127,922,988	45,449,685	-	(14,337,780)	159,034,892	72,490,952	20
Tracking devices	156,363,628	67,769,817	(43,438,599)	8,550,836	189,245,682	67,288,099	74,979,488	(21,719,300)	-	120,548,287	68,697,395	50
Motor vehicle	14,963,040	-	-	-	14,963,040	3,740,760	2,584,525	-	-	6,325,285	8,637,755	20
Office equipment	5,394,616	-	-	-	5,394,616	3,596,411	1,078,923	-	-	4,675,334	719,282	20
	356,683,183	137,136,176	(43,438,599)	(9,251,578)	441,129,183	202,548,258	124,092,621	(21,719,300)	(14,337,780)	290,583,798	150,545,384	

2024	Cost					Accumulated Depreciation					Written Down Value	Depreciation Rate %
	As at January 1, 2024	Additions	Matured	Modification	As at December 31, 2024	As at January 1, 2024	Charge for the Year	Matured	Modification	As at December 31, 2024	As at December 31, 2024	
	(Rupees)											
Office premises	186,631,219	17,460,490	(24,129,810)	-	179,961,899	103,444,824	31,717,107	(7,238,943)	-	127,922,988	52,038,911	20
Tracking devices	172,480,599	120,211,245	(136,328,216)	-	156,363,628	122,119,979	81,496,336	(136,328,216)	-	67,288,099	89,075,529	50
Motor vehicle	-	14,963,040	-	-	14,963,040	-	3,740,760	-	-	3,740,760	11,222,280	20
Office equipment	5,394,616	-	-	-	5,394,616	2,517,488	1,078,923	-	-	3,596,411	1,798,205	20
	364,506,435	152,634,775	(160,458,026)	-	356,683,183	228,082,291	118,033,126	(143,567,159)	-	202,548,258	154,134,925	

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

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

6.2.3 Liabilities against assets subject to finance lease

	2025			2024		
	Minimum Lease Payments	Financial Charges for future period	Principal Outstanding	Minimum Lease Payments	Financial Charges for future period	Principal Outstanding
	(Rupees)			(Rupees)		
Gross lease liabilities - minimum lease payments:						
Not later than 1 year	**77,552,181**	**11,581,292**	**65,970,890**	79,750,240	14,847,695	64,902,545
Later than 1 year but not later than 5 years	**80,412,584**	**23,546,321**	**56,866,263**	95,492,155	20,386,295	75,105,860
	157,964,766	**35,127,613**	**122,837,153**	175,242,395	35,233,990	140,008,405

7 INTANGIBLE ASSETS

	Note	2025	2024
		(Rupees)	
Software licence	7.1	**7,216,462**	8,251,406
Capital work-in-progress	7.2	**15,345,518**	-
		22,561,980	8,251,406

7.1 Software Licence

2025	Cost				Accumulated Depreciation				Written Down Value	Amortization Rate %
	As at January 1, 2025	Additions	Disposals	As at December 31, 2025	As at January 1, 2025	Charge for the Year	Disposals	As at December 31, 2025	As at December 31, 2025	
	(Rupees)									
Owned										
Software licences	**39,769,229**	**3,512,500**	-	**43,280,729**	**31,516,823**	**4,547,445**	-	**36,064,267**	**7,216,462**	**20%**

2024	Cost				Accumulated Depreciation				Written Down Value	Amortization Rate %
	As at January 1, 2024	Additions	Disposals /	As at December 31, 2024	As at January 1, 2024	Charge for the Year	Disposals /	As at December 31, 2024	As at December 31, 2024	
	(Rupees)									
Software licences	38,594,475	1,173,754	-	39,768,229	27,325,602	4,191,221	-	31,516,823	8,251,406	20%

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

7.1.2 The cost and accumulated amortisation of fully amortised intangible still in use at the year end is Rs. 18.037 million (2024: Rs. 18.037 million)

7.2 The Company is currently implementing a new insurance contract accounting solution to comply with IFRS-17 (Insurance Contracts). Costs directly attributable to the development and implementation of the system are capitalized as capital work-in-progress.

8 INVESTMENT IN EQUITY SECURITIES AND MUTUAL FUNDS UNITS

	2025					2024				
	Cost	Revaluation	Carrying Value	Carrying Value	Carrying Value	Cost	Revaluation	Carrying Value	Carrying Value	Carrying Value
			WTO	Conventional	Consolidated			WTO	Conventional	Consolidated
	(Rupees)					(Rupees)				
-Classified as 'At fair value through other comprehensive income'										
Related party										
Listed shares										
TPL Properties Limited (3% holding)	-	-	-	-	-	100,000,000	157,002,987	-	257,002,986	257,002,986
	-	-	-	-	-	100,000,000	157,002,987	-	257,002,986	257,002,986
Others										
Listed shares										
The Bank of Punjab	63,703	305,162	-	368,865	368,865	63,703	39,705	-	103,408	103,408
Hub Power Company Limited	-	-	-	-	-	357,000	951,900	-	1,308,900	1,308,900
Bank of Khyber	162,975	447,565	-	610,540	610,540	162,975	86,901	-	249,876	249,876
Bolan Casting	26,469,340	(7,993,340)	-	18,476,000	18,476,000	39,704,010	(2,816,010)	-	36,888,000	36,888,000
Ghani Global Holdings Limited	6,411	4,406	-	10,817	10,817	6,411	950	-	7,361	7,361
Bank Makramah	9,120	84,000	-	93,120	93,120	9,120	33,280	-	42,400	42,400
	26,711,549	(7,152,208)	-	19,559,341	19,559,341	40,303,219	(1,703,274)	-	38,599,945	38,599,945
Unlisted Shares										
Find My Doctor	44,409,424	-	-	44,409,424	44,409,424	44,409,024	-	-	44,409,024	44,409,024
	44,409,424	-	-	44,409,424	44,409,424	44,409,024	-	-	44,409,024	44,409,024
-Classified as 'At fair value through profit or loss'										
Mutual funds										
AKD Opportunity Fund	-	-	-	-	-	88,645,956	41,156,419	-	129,802,375	129,802,375
AKD Islamic Stock Fund	-	-	-	-	-	48,084,334	30,847,301	78,931,635	-	78,931,635
	-	-	-	-	-	136,730,290	72,003,720	78,931,635	129,802,375	208,734,010
	71,120,973	(7,152,208)	-	63,968,765	63,968,765	321,442,533	227,303,433	78,931,635	469,814,330	548,745,965

9 INVESTMENT IN GOVERNMENT SECURITIES

		2025			2024		
		WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	Note	(Rupees)			(Rupees)		
Classified as 'At amortized cost'							
Pakistan Investment Bonds (PIBs)	9.1	-	252,853,325	252,853,325	-	248,329,807	248,329,807
		-	252,853,325	252,853,325	-	248,329,807	248,329,807

9.1 This represents five years Pakistan Investment Bonds having face value of Rs. 262.30 million (market value of Rs. 262.01 million) [2024: Rs. 263.20 million (market value of Rs. 251.21 million)]. These carry mark-up ranging from 7.50% to 12.00% (2024: 7.50% to 10.50%) per annum and will mature between April 29, 2027 to July 17, 2030. These have been deposited with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of Section 29 of the Insurance Ordinance, 2000 and circular No. 15 of 2008 dated July 07, 2008 issued by the Securities and Exchange Commission of Pakistan.

10 INVESTMENT IN TERM DEPOSITS

		2025			2024		
		WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	Note	-------------	(Rupees)	-------------	-------------	(Rupees)	-------------
- Classified as 'At amortized cost'							
Deposits maturing within 12 months	10.1	**791,324,264**	**612,361,134**	**1,403,685,398**	762,592,463	522,081,470	1,284,673,933
		791,324,264	**612,361,134**	**1,403,685,398**	762,592,463	522,081,470	1,284,673,933

10.1 These carry mark up of 3.75% to 10.50% per annum (2024: 4.50% to 12% per annum).

11 LOANS AND OTHER RECEIVABLES

		2025			2024		
		WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	Note	-------------	(Rupees)	-------------	-------------	(Rupees)	-------------
- Considered good							
Advance to a related party - unsecured	11.1	-	**292,746,351**	**292,746,351**	-	292,746,351	292,746,351
Receivable from related parties	11.2	-	**15,246,271**	**15,246,271**	-	28,616,622	28,616,622
Deposit for hospital enlistment	11.3	-	**8,890,000**	**8,890,000**	-	8,890,000	8,890,000
Accrued investment income		**10,378,910**	**34,220,972**	**44,599,882**	8,175,768	19,022,977	27,198,745
Loan and advance to employees	11.4	-	**8,316,615**	**8,316,615**	-	10,202,715	10,202,715
Security Deposit		-	**50,305,161**	**50,305,161**	-	17,860,624	17,860,624
Receivable from tax authorities	11.5	-	**135,986,539**	**135,986,539**	-	135,986,539	135,986,539
Advance to Supplier		-	**64,721,807**	**64,721,807**	-	19,665,545	19,665,545
Other receivable		-	**11,266,985**	**11,266,985**	-	2,634,091	2,634,091
		10,378,910	**621,700,701**	**632,079,611**	8,175,768	535,625,464	543,801,232

11.1 This represents advance to a related party TPL Trakker Limited. A special resolution of the shareholders authorising the Company to extend advance upto Rs. 300 million was passed in Annual General Meeting of the Company held on April 30, 2025. The balance carries mark up at the rate of 1 year KIBOR + 3.5% with a floor of 10% per annum.

11.2 This represents receivable from following related parties.

		2025			2024		
		WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	Note	-------------	(Rupees)	-------------	-------------	(Rupees)	-------------
TPL Trakker Limited		-	**1,040,694**	**1,040,694**	-	5,427,538	5,427,538
TPL Properties Limited		-	-	-	-	3,151,837	3,151,837
TPL Corp		-	-	-	-	6,121,841	6,121,841
TPL Development		-	-	-	-	268,971	268,971
TPL REIT Management Company Limited		-	**3,459,379**	**3,459,379**	-	1,205,999	1,205,999
TPL Security Services (Private) Limited		-	**1,429,941**	**1,429,941**	-	1,204,712	1,204,712
Astra Location Services (Private) Limited		-	**7,363,357**	**7,363,357**	-	5,411,632	5,411,632
TPL Life Insurance Limited		-	**1,952,900**	**1,952,900**	-	5,824,092	5,824,092
		-	**15,246,271**	**15,246,271**	-	28,616,622	28,616,622

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

11.4 These include loans given to employees for domestic purposes and are secured against provident fund balances of employees. These loans carry mark-up rate ranging from 0% - 5% (2024: 0% - 5%) per annum, and are maturing at various dates until December 2025.

11.5 This includes amounts deposited with sale tax authorities pursuant to the order of the high court. The Company had filed a suit in the High Court challenging the show cause notice of Sindh Revenue Board (SRB) whereby additional sales tax liability of Rs. 103.79 and Rs. 168.179 million respectively were calculated on reinsurance business and other matters from the period from January 2016 to December 2016 and January 2012 to December 2016.

The amount deposited represents 50% of the disputed amount. Case details are disclosed in note no. 21.1.1.2 and 21.1.1.3 respectively.

12 INSURANCE / REINSURANCE RECEIVABLES - Unsecured

	2025			2024		
	WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	-------------	(Rupees)	-------------	-------------	(Rupees)	-------------
Due from insurance contract holders						
Considered good	545,387,475	341,694,906	887,082,381	374,644,593	229,407,619	604,052,212
Considered doubtful	35,781,914	73,120,431	108,902,345	37,626,766	51,120,431	88,747,197
Less: provision for impairment of receivables from Insurance contract holders	(35,781,914)	(73,120,431)	(108,902,345)	(37,626,766)	(51,120,431)	(88,747,197)
	545,387,475	341,694,906	887,082,381	374,644,593	229,407,619	604,052,212
Due from other insurers / reinsurers						
Considered good	84,052,671	270,078,967	354,131,638	51,644,915	248,326,949	299,971,864
Considered doubtful	-	9,754,393	9,754,393	-	9,754,393	9,754,393
Less: provision for impairment of due from other insurers / reinsurers	-	(9,754,393)	(9,754,393)	-	(9,754,393)	(9,754,393)
	84,052,671	270,078,967	354,131,638	51,644,915	248,326,949	299,971,864
	629,440,146	611,773,873	1,241,214,019	426,289,508	477,734,568	904,024,076

13 DEFERRED TAXATION - NET

	2025			2024		
	WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	-------------	(Rupees)	-------------	-------------	(Rupees)	-------------
Deferred debits arising in respect of						
Provision for doubtful debts	10,376,755	24,033,699	34,410,454	10,911,762	17,653,699	28,565,461
Depreciation	-	4,334,980	4,334,980	-	1,045,915	1,045,915
Unrealised loss on investments classified at fair value through other comprehensive income	-	2,074,140	2,074,140	-	-	-
Deferred credits arising in respect of						
Unrealized gain on investments classified at fair value through profit & loss	-	-	-	(12,300,379)	(5,424,594)	(17,724,973)
Unrealised gain on investments classified at fair value through other comprehensive income	-	-	-	-	(45,036,811)	(45,036,811)
Right of use assets	(5,003,445)	(3,975,710)	(8,979,155)	(3,218,391)	(878,279)	(4,096,670)
	5,373,310	26,467,109	31,840,419	(4,607,008)	(32,640,070)	(37,247,078)

13.1 Reconciliation of deferred tax

	2025	2024
	--------- (Rupees)	---------
Opening balance	(37,247,078)	4,715,073
Charge / (reversal) for the year	69,087,497	(41,962,150)
Closing balance	31,840,419	(37,247,078)

14 PREPAYMENTS

		2025			2024		
		WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
		-------------	(Rupees)	-------------	-------------	(Rupees)	-------------
Prepaid							
- annual monitoring and other charges	14.1	7,397,819	9,840,971	17,238,790	6,748,717	15,989,406	22,738,123
- Prepaid Tracker rental		-	12,965,042	12,965,042	-	-	-
- Reinsurance premium ceded		80,432,338	266,426,177	346,858,515	98,783,539	391,861,222	490,644,761
- Subscription		-	31,048,356	31,048,356	-	20,549,867	20,549,867
- Insurance		-	8,526,017	8,526,017	-	13,211,180	13,211,180
		87,830,157	328,806,563	416,636,720	105,532,256	441,611,675	547,143,931

14.1 This includes prepaid annual monitoring charges amounting to Rs. 13.73 million (2024: Rs. 12.98 million) paid to TPL Trakker Limited (Associated company) against the tracking services provided to the insurance policyholders of the Company.

15 CASH AND BANK BALANCES

		2025			2024		
	Note	WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
		(Rupees)			(Rupees)		
Cash and Cash Equivalent							
- Cash in hand		-	880,872	880,872	-	625,882	625,882
- Policy and revenue stamps, bond papers etc.		509,212	296,905	806,117	196,080	147,839	343,919
		509,212	1,177,777	1,686,989	196,080	773,721	969,801
Cash at bank							
- Current accounts		-	1,008,365,027	1,048,982,819	-	568,746,054	568,746,054
- Profit and loss sharing accounts	15.1	47,801,950	1,937,541,255	1,944,725,413	23,971,427	1,878,426,720	1,902,398,147
		47,801,950	2,945,906,282	2,993,708,232	23,971,427	2,447,172,773	2,471,144,201
		48,311,162	2,947,084,059	2,995,395,221	24,167,507	2,447,946,494	2,472,114,002

15.1 These accounts carry mark-up ranging between 7.50% to 12% (2024: 4.50% to 12%) per annum.

16 ORDINARY SHARE CAPITAL

16.1 Authorized Capital

2025	2025		2025	2024
(Number of Shares)			(Rupees)	
250,000,000	250,000,000	Ordinary shares of Rs. 10 each	2,500,000,000	2,500,000,000

16.2 Issued, subscribed and paid- up share capital

2025	2024		2025	2024
(Number of Shares)			(Rupees)	
198,394,462	198,394,462	Ordinary shares of Rs. 10 each, fully paid in cash at beginning of the year	1,983,944,620	1,983,944,620
250,000	-	Ordinary shares of Rs. 10 each, fully paid in cash issued during the year	2,500,000	-
198,644,462	198,394,462		1,986,444,620	1,983,944,620

16.3 As at December 31, 2025 shares held by related parties are as follows:

	2025		2024	
	Number of Shares	Holding	Number of Shares	Holding
TPL Corp Limited	106,891,570	53.81%	104,891,570	52.87%
TPL Holdings (Private) Limited	1,453,936	0.73%	1,453,936	0.73%
Directors	1,674	0.00%	1,674	0.00%
	108,347,180	54.54%	106,347,180	53.60%

17 RESERVES

	Note	2025	2024
		--------- (Rupees) ---------	
Capital Reserves			
Share premium		111,094,988	111,094,988
Share issuance cost		(68,296,940)	(68,296,940)
Net share premium		42,798,048	42,798,048
Other capital reserves	17.1	124,635,000	124,635,000
		167,433,048	167,433,048
Revenue Reserves			
Accumulated profit		622,033,908	481,193,126
Other comprehensive income reserve	17.2	(5,078,068)	110,258,054
		616,955,840	591,451,180
		784,388,888	758,884,228

17.1 Other capital reserves

This represents reserve created in respect of employee share option scheme introduced in 2022, in accordance with the IFRS 2. All options granted to designated employees, have been vested and exercised. There are no further options in issue as at December 31, 2025.

17.2 Other comprehensive income reserve

	2025	2024
	--------- (Rupees) ---------	
Changes in fair value of investments classified as - financial assets at fair value through other comprehensive income'	(7,160,835)	155,294,865
Related deferred tax	2,082,768	(45,036,811)
	(5,078,067)	110,258,054

18 PARTICIPANTS' TAKAFUL FUND

18.1 Ceded Money

	2025	2024
Ceded Money	2,000,000	2,000,000

18.2 Accumulated surplus

	2025	2024
Balance at the beginning of the year	5,734,289	(44,583,937)
Surplus for the year	9,960,172	50,318,226
Balance at the end of the year	15,694,461	5,734,289

19 INSURANCE / REINSURANCE PAYABLES

	2025	2024
Due to other insurers / reinsurers	460,771,818	463,187,328

20 OTHER CREDITORS AND ACCRUALS

	Note	2025 WTO	2025 Conventional	2025 Consolidated	2024 WTO	2024 Conventional	2024 Consolidated
		(Rupees)			(Rupees)		
Commission payable		**42,188,929**	**207,554,772**	**249,743,701**	14,504,408	117,639,550	132,143,958
Creditors		**1,530,834**	**42,812,119**	**44,342,953**	329,767	95,639,249	95,969,016
Federal Insurance Fee		**3,992,043**	**3,295,480**	**7,287,523**	2,583,181	2,748,542	5,331,723
Federal Excise Duty (FED) - net		**37,730,762**	**29,220,568**	**66,951,330**	27,058,584	21,783,171	48,841,755
Margin deposit from customers		**-**	**465,820,318**	**465,820,318**	-	230,441,936	230,441,936
Security deposit from customers		**-**	**700,000**	**700,000**	-	700,000	700,000
Withholding tax payable		**23,112,071**	**20,168,472**	**43,280,543**	14,187,007	15,445,360	29,632,367
Advance tax on premium		**-**	**476,070**	**476,070**	-	476,070	476,070
Accrued Expenses		**-**	**143,174,671**	**143,174,671**	-	128,265,639	128,265,639
Dividend payable		**-**	**4,310,975**	**4,310,975**	-	4,310,975	4,310,975
Payable to related parties	20.1	**-**	**1,472,823**	**1,472,823**	-	1,472,823	1,472,823
Payable to Provident Fund	20.2	**-**	**7,132,440**	**7,132,440**	-	5,573,412	5,573,412
Deposits from customers		**4,302,738**	**-**	**4,302,738**	4,506,063	-	4,506,063
Others	20.3	**54,975,068**	**72,016,908**	**126,991,976**	14,973,511	13,535,418	28,508,929
		167,832,445	**998,155,616**	**1,165,988,061**	78,061,311	638,032,145	716,093,456

20.1 This represents payable to following related parties:

	2025 WTO	2025 Conventional	2025 Consolidated	2024 WTO	2024 Conventional	2024 Consolidated
TPL Properties Management (Private) Limited	**-**	**1,472,823**	**1,472,823**	-	1,472,823	1,472,823
	-	**1,472,823**	**1,472,823**	-	1,472,823	1,472,823

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

20.3 This includes Rs. 124.57 million (2024: Rs. 25.85 million) in respect of time barred cheques. These time barred cheques include outstanding claims in respect of which cheques aggregating to Rs. 14.02 million (2024: Rs. 20.20 million) have been issued by the Company for claim settlement but the same have not been encashed by the claimant.

The following is the ageing as required by SECP circular 11 of 2014 dated 19 May 2014:

	2025	2024
	(Rupees)	
-More than 6 months	**180,597,141**	27,689,759
-1 to 6 months (included in provision for outstanding claims)	**83,513,315**	94,392,225
	264,110,456	122,081,984

AGE-WISE BREAKUP

Claims not encashed	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	TOTAL
2025	**180,597,141**	**28,695,381**	**17,316,216**	**37,501,718**	**264,110,456**
2024	94,392,225	6,067,517	6,588,402	15,033,840	122,081,984

21 CONTINGENCIES AND COMMITMENT

21.1 Contigencies

21.1.1 Contingencies related to Sindh Sales Tax (SST)

As at 31 December 2025, four cases pertaining to the matter of Sindh Sales Tax were outstanding. The Total exposure of the cases amounted to Rs. 1.368 billion. The details of the cases are mentioned below:

21.1.1.1 Appeal No. 196 of 2024 TPL Insurance (NHIC) vs Commissioner Appeal SRB – SST on reinsurance obtained from foreign reinsurance during July 2011 to March 2015

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

NHIC being aggrieved, filed an appeal before the Commissioner (Appeals)-SRB under section 57 of the Sindh Sales Tax on Services Act, 2011. The management has submitted the amount calculated by SRB is not correct and there is factual inaccuracy in the amount quoted in the subject SRB Order that needs rectification. The total amount of foreign reinsurance premium during the period from July 1, 2011 to March 31, 2015 amounts to Rs. 3,087 million as per NHIC record on which sales tax amount works out to Rs. 486 million. SRB in its order dated May 13, 2024 accepted the company's submission and rectified the said demand to Rs. 486 million.

The company has filed appeal aginst the said order before Appelate Tribunal, which is pending adjudication. The management accordingly, based on the opinion of its legal advisor believes that, the said demand has no financial implication to the company as it can be claimed as input tax and therefore no provision has been made in these financial statements.

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

On 19 May 2018, NHIC received show cause notice (SCN), from Sindh Revenue Board (SRB) alleging therein that NHIC is liable to pay Sindh Sales Tax (SST) on services amounting to Rs. 103.793 million together with default surcharge and penalty. It was alleged in the SCN that NHIC did not charge and deposit sales tax on reinsurance services received from foreign reinsurers from the period January 2016 to December 2016, premium received from other insurance companies during the period January 2016 to December 2016 claiming the same to be exempt income, and stamp duty and FIF for the month of December 2016 amounting to Rs. 73.26 million, Rs. 30.24 million and Rs. 0.28 million respectively.The Company believes that the reinsurance obtained by the NHIC is not subject to Sindh Sales tax on services under the Act. Even if it is treated as taxable, the same can claim as input, thereby negeting any financial impact. The company challanged the SCN issued by SRB in SHC. During 2024, SHC disposed off the proceeding on the account of maintainability and directed the company to follow the SCN proceedings with SRB. Till the date of finalization of financial statements no further proceedings have taken place.

The management, based on its assessment, and opinion of its legal advisors expects favourable outcome of the matter and therefore no provision for any liability that may result has been made in the financial statements.

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

On 5 April 2018, NHIC received show cause notice (SCN), from Assistant Commissioner SRB alleging therein that NHIC is liable to pay Sindh Sales Tax (SST) on services amounting to Rs. 168.179 million. It was alleged in the SCN that a comparison of the financial statements of NHIC with the monthly Sindh Sales Tax returns filed with the SRB for Tax Years January 2012 to December 2016 reveals that NHIC has short declared sales of approximately Rs. 1.11 billion and has short paid Sindh Sales Tax of Rs. 168.179 million. NHIC contend that alleged short declared sales pertains to sales made in other provinces and related sales tax has been deposited thereon. As a result there is no sales tax liability towards SRB. NHIC challanged the SCN in the SHC. During 2024, SHC dismmissed the case on the account of maintainability. Since then SRB has not persued further proceedings against the SCN. The management, based on its assessment, and opinion of its legal advisor expects favourable outcome of the matter and therefore no provision for any liability that may result has been made in the financial statements.

21.1.1.4 CPLA 1079 of 2025 (New Hampshire Insurance Company Versus Province of Sindh and others) before the Supreme Court of Pakistan

On 30 January 2020, NHIC received show cause notice (SCN), from Sindh Revenue Board (SRB) alleging therein that NHIC has received consideration of Rs. 580.91 million, during the period from January 2012 to December 2013, on account of "Commission from re-insurer" and the receipts of commission from re-insurer are subject to Sindh Sales Tax (SST). It, further, has been alleged that NHIC has neither declared nor deposited the Sindh Sales tax (SST) amounting to Rs. 92.946 Million. The Company believes that SRB has attempted to create a tax, which does not exist under the Act. Further, the "commission from re-insurer" is not a commission in the conventional sense, rather it is a business discount/allowance on the premium payable to the reinsurer by the insurer. The company challanged the SCN in SHC. During the year, SHC has dismissed the case on the account of maintainability. The Company has filled an appeal in the Supreme Court against the said order.

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

21.1.1.5 During 2023, Sindh Revenue Board has withdrawn Sind Sales Tax exemption on corporate health business with effect from July 01, 2023. The Company, along-with other industry player, has challenged the imposition of Sales Tax on corporate health business. The matter is pending adjudication with High Court of Sindh. Contingent liability exposure on this matter as at December 31, 2025 amounts to Rs. 37.3 million (2024: Rs. 37.3 million).

21.1.1.6 CPLA-1080 of 2022 - Short payment of Sindh Sales Tax from January 2014 to December 2015

The Company received show cause notice dated 29 January 2022 from the Sindh Revenue Board (SRB) under the Sindh Sales Tax on Services Act, 2011 in respect of tax periods January 2014 to December 2015.

The notice alleges non-payment/ short payment of Sindh Sales Tax on insurance premium income amounting to Rs. 359.057 million and inadmissible input tax adjustments amounting to Rs. 88.721 million, aggregating to Rs. 447.778 million. The SRB has further proposed levy of default surcharge and penalties under the relevant provisions of the Act.

The Company challenged the matter before the Sindh High Court; however, the petition was dismissed on the grounds of maintainability. Subsequently, the Company has filed an appeal before the Supreme Court of Pakistan, inter alia, on the basis of denial of the right of hearing.

The matter is currently pending adjudication before the Supreme Court. Based on the Management's assessment and advice of legal counsel, the Company believes that it has reasonable grounds to contest the matter.

21.1.2 Contingencies related to Income Tax

The returns of income tax have been filed up to and including tax year 2025. Except for the tax years mentioned below, all other assessment years are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (ITO).

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

Tax Year	Details	Contingency as at December 31, 2025 Rs. in '000'	Contingency as at December 31, 2024 Rs. in '000'
2012	The Additional Commissioner Inland Revenue (ACIR) passed an Order and creating tax demand of Rs. 42.697 million on account of certain additions / disallowances. The NHIC under protest has paid Rs. 30 million and filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A) which has been decided in favour of NHIC except for disposal of fixed assets and exchange loss against which an appeal has been filed before ATIR which is pending for hearing. The management, based on its assessment, expects favourable outcome of the case.	12,697	12,697
2013	ACIR passed an amended Order and raised a demand of Rs. 11.067 million on account of certain additions / disallowances which include disallowance of commission paid to reinsurer (Rs 77.2m) on account of non deduction	-	8,432

Tax Year	Details	Contingency as at December 31, 2025 Rs. in '000'	Contingency as at December 31, 2024 Rs. in '000'
	of withholding tax, and charged dividend at normal tax rate instead of treating under FTR. ACIR further disallowed IBNR from admissible expenses. The NHIC under protest paid Rs. 3 million and filed an appeal before the CIR-A which has been decided in favour of the NHIC. However the Department filed against this decision with ATIR. On June 13, 2025 the Appellate Tribunal Inland Revenue (ATIR) has adjudicated all these matters in favour of NHIC Consequently, in light of the Tribunal's order, the tax demand raised earlier stands nullified.		
2014	The Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(5A) of the Ordinance, whereby an aggregate demand of Rs.45,230,536 was created. Against the above order, the company filed an appeal before the CIR(A) and also obtained stay against the tax demand. Pursuant to the appeal, the CIR(A) has passed an appellate order whereby issues relating to taxability of dividend income at corporate tax rate and levy of WWF has been decided in favor of the company. The issues relating to commission expense and credit of refund adjustments has been remanded back whereas the issue of disposal of assets at less than FMV has been decided against the company. The company has filed further appeal before the ATIR against the order of the CIR(A), which is pending adjudication.	40,708	40,708
2015	On 28 April 2018, the Additional Commissioner Inland Revenue (ACIR) passed an amended Order and created an additional tax demand of Rs. 55.930 million on account of certain additions / disallowances. NHIC under protest has paid Rs. 30 million out of the total tax demand. Against the amended assessment Order, the NHIC also filed an appeal before the Commissioner Inland Revenue - Appeals (CIR-A). Pursuant to the appeal, the CIR-A has passed an appellate order whereby issues relating to taxability of dividend income at corporate tax rate, commission expense, provision for IBNR, gain on sale of non-trading assets, interest free loans and provision for defined benefit plan has been decided in favour of the NHIC whereas the the matter in respect of advertisement and sales promotion expenses has been remanded back. The NHIC as well as the tax department has filed further appeals before the Appellate Tribunal Inland Revenue (ATIR) against the order of the CIR(A), which are pending adjudication. The management on the basis of tax advisor views, expects that based on the issues involved and judgements of the higher courts/appellate fora, NHIC has reasonable chance of a favourable outcome in appeal.	25,930	25,930
2017	On 15 March 2019, the Additional Commissioner Inland Revenue (ACIR) passed an amended Order and created an additional tax demand of Rs. 56.671 million on account of certain additions / disallowances against which] 10% amount was paid by the NHIC. Against the above order, the company filed an appeal before the CIR(A) and also obtained stay against the tax demand. Pursuant to the	51,004	51,004

Tax Year	Details	Contingency as at December 31, 2025 Rs. in '000'	Contingency as at December 31, 2024 Rs. in '000'
	appeal, the CIR(A) has passed an appellate order whereby issue relating to commission expense has been remanded back whereas the issue of disposal of assets at less than FMV has been decided against the company. The company has filed further appeal before the ATIR against the order of the CIR(A), which is pending adjudication.		
2018	The Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(5A) of the Ordinance, whereby an aggregate demand of Rs.10,660,260 was created. Against the above order, the company filed an appeal before the CIR(A) and also obtained stay against the tax demand. Pursuant to the appeal, the CIR(A) has passed an appellate order whereby issue relating to commission expense has been deleted whereas the issue of bad debts written off has been decided against the company. The company has filed further appeal before the ATIR against the order of the CIR(A), which is pending adjudication.	10,660	10,660
2019	The Deputy Commissioner Inland Revenue (DCIR) has passed an order under section 161/205 of the Income Tax Ordinance, 2001 wherein tax amounting to Rs.32,602,791 has been levied on certain expenses. Further, penalty and default surcharge of Rs. 3,260,279 and Rs. 7,824,670 under sections 182 and 205 of the Ordinance, respectively have also been levied. The company has challenged the levy of tax on certain expenses before the Commissioner Inland Revenue Appeals, which has been annulled by the Commissioner (Appeals) with directions to re-examine the same. During the year reexamination proceedings have been decided in favour of the the company . Accordingly, provision made against these proceeddings have been reversed in the current year.	-	39,086
		140,999	188,517

In light of above cases company has made a total provision of Rs. 140 million for any liability that may result.

22 NET INSURANCE PREMIUM

	2025			2024		
	WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	-------------- (Rupees) --------------			-------------- (Rupees) --------------		
Written Gross Premium	3,373,356,833	2,382,330,420	5,755,687,253	2,524,793,789	2,495,650,583	5,020,444,372
Add: Unearned premium reserve opening	1,258,017,364	1,184,766,962	2,442,784,326	558,583,472	1,465,193,095	2,023,776,567
Less: Unearned premium reserve closing	(1,663,166,186)	(1,031,684,535)	(2,694,850,722)	(1,810,775,243)	(632,009,083)	(2,442,784,326)
Premium/Contribution earned	2,968,208,011	2,535,412,847	5,503,620,857	1,272,602,018	3,328,834,595	4,601,436,613
Less: Reinsurance premium ceded	250,902,662	814,228,962	1,065,131,624	254,913,845	974,854,135	1,229,767,979
Add: Prepaid reinsurance premium opening	98,783,539	392,726,477	491,510,016	66,053,049	372,115,979	438,169,028
Less: Prepaid reinsurance premium closing	(80,432,338)	(266,426,178)	(346,858,515)	(98,783,539)	(391,861,221)	(490,644,760)
Reinsurance expense	269,253,863	940,529,261	1,209,783,125	222,183,355	955,108,893	1,177,292,247
Net insurance Premium / Net Contribution	2,698,954,148	1,594,883,586	4,293,837,732	1,050,418,663	2,373,725,702	3,424,144,365

23 NET INSURANCE CLAIMS EXPENSE

	2025			2024		
	WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	------------- (Rupees) -------------			------------- (Rupees) -------------		
Claims paid/ payable	1,942,809,349	1,379,518,597	3,322,327,947	1,349,107,025	1,012,884,124	2,361,991,149
Add: Outstanding claims including IBNR closing	772,098,400	575,202,970	1,347,301,370	503,473,738	548,364,343	1,051,838,081
Less: Outstanding claims including IBNR opening	(503,473,738)	(548,364,339)	(1,051,838,077)	(357,999,976)	(594,473,591)	(952,473,567)
Claims expense	2,211,434,011	1,406,357,228	3,617,791,240	1,494,580,787	966,774,876	2,461,355,663
Less: Reinsurance and other recoveries received	494,829,897	570,328,211	1,065,158,108	354,838,412	424,332,335	779,170,747
Add: Reinsurance and other recoveries in respect of outstanding claims net of impairment - closing	672,291,958	483,018,753	1,155,310,711	347,493,120	422,712,353	770,205,473
Less: Reinsurance and other recoveries in respect of outstanding claims net of impairment - opening	(347,493,119)	(422,712,353)	(770,205,473)	(227,222,385)	(517,111,155)	(744,333,540)
Reinsurance and other recoveries revenue	819,628,735	630,634,611	1,450,263,346	475,109,147	329,933,533	805,042,680
Net insurance claims expense	1,391,805,276	775,722,617	2,167,527,894	1,019,471,640	636,841,343	1,656,312,983

23.1 Claim development table is included in note 37.1.8 to the financial statements.

24 NET COMMISSION EXPENSE

	2025			2024		
	WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
Commissions paid or payable	343,940,569	311,849,543	655,790,112	357,895,430	269,014,845	626,910,275
Add: Deferred commission - opening	173,512,076	125,026,909	298,538,985	137,737,517	122,901,670	260,639,187
Less: Deferred commission - closing	(155,703,425)	(107,325,441)	(263,028,866)	(173,512,076)	(125,026,909)	(298,538,985)
Commission expense	361,749,220	329,551,011	691,300,231	322,120,871	266,889,606	589,010,477
Less: Commission from reinsurers						
Commission received or receivable	62,049,223	188,497,027	250,546,249	54,806,500	223,843,476	278,649,976
Add: Unearned reinsurance commission - opening	25,803,134	105,125,395	130,928,529	16,726,058	73,875,249	90,601,307
Less: Unearned reinsurance commission - closing	(26,832,236)	(65,196,940)	(92,029,176)	(25,803,134)	(105,125,395)	(130,928,529)
Commission from reinsurance	61,020,121	228,425,482	289,445,602	45,729,424	192,593,330	238,322,754
Net Commission expense	300,729,099	101,125,529	401,854,629	276,391,447	74,296,276	350,687,723

25 MANAGEMENT EXPENSES

	Note	2025			2024		
		WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
		------------- (Rupees) -------------			------------- (Rupees) -------------		
Employee benefit costs	25.1	487,945,195	286,629,159	774,574,355	282,054,517	406,769,733	688,825,150
Annual monitoring fee	25	14,124,357	38,128,810	52,253,167	-	44,159,782	44,159,782
Travelling expenses		19,747,947	11,600,355	31,348,302	7,099,079	10,238,058	17,337,137
Business partner engagement expenses		121,452,240	36,631,689	158,083,929	46,720,225	67,378,369	114,098,594
Advertisement and marketing		79,391,540	46,636,243	126,027,783	40,211,207	57,991,278	98,202,485
Printing and stationary		5,053,177	2,968,342	8,021,519	2,657,307	3,832,280	6,489,587
Rent, rates and taxes		6,094,766	3,580,192	9,674,958	5,203,557	7,504,399	12,707,956
Outsourcing expenses		68,647,673	40,325,072	108,972,744	35,414,620	51,073,799	86,488,419
Communication		10,010,131	5,880,159	15,890,290	5,221,864	7,530,801	12,752,665
Utilities		10,712,579	6,292,792	17,005,371	6,238,156	8,996,463	15,233,618
Vehicle running expenses		29,765,963	17,485,143	47,251,106	14,234,367	20,528,334	34,762,701
Repair and maintenance		18,427,021	10,824,416	29,251,437	10,837,934	15,630,111	26,468,045
Depreciation - Operating assets		39,967,352	23,469,746	63,437,098	20,726,688	29,891,341	50,618,029
Depreciation - Right of use assets		62,203,776	50,704,335	112,908,111	54,979,214	48,556,515	103,535,729
Amortization expense		2,864,672	1,682,768	4,547,440	1,716,188	2,475,030	4,191,221
Annual supervision fee SECP		3,056,580	3,413,556	6,470,136	3,209,720	2,885,772	6,095,492
Bad and doubtful debts		-	22,000,000	22,000,000	12,000,000	5,000,000	17,000,000
Insurance		18,270,806	10,732,652	29,003,458	9,555,461	13,780,570	23,336,031
Preinspection charges		-	24,058,385	24,058,385	-	15,587,605	15,587,605
Others		5,118	3,007	8,125	123,346	177,882	301,228
		997,740,893	643,046,820	1,640,787,713	558,203,450	819,988,122	1,378,191,475

25.1 This includes Rs. 716.214 million being salaries and wages (2024: Rs. 756.334 million) and Rs. 42.105 million (2024: Rs. 32.117 million) being contribution to employees' provident fund.

25.2 This includes annual monitoring fee amounting to Rs. 29.667 million (2024: Rs. 32.618 million) charged by TPL Trakker Limited (Associated company) against the tracking services provided to the insurance policy holders of the Company.

26 INVESTMENT INCOME

	2025			2024		
	WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	------------- (Rupees) -------------			------------- (Rupees) -------------		
Dividend Income	-	132,798	132,798	4,176,320	2,034,320	6,210,640
Return on Debt Securities	-	31,662,786	31,662,786		40,720,565	40,720,565
Return on PLS bank balances	15,412,360	37,699,685	53,112,045	32,090,490	95,833,841	128,955,281
Return on Term Deposits	68,774,922	47,402,572	116,177,494	88,486,813	58,833,276	147,028,300
	84,187,282	116,897,841	201,085,123	124,753,623	197,422,002	322,914,786
Net unrealized gains/(loss) on investments - fair value through profit or loss	-	-	-	26,670,981	41,156,856	65,912,772
Net realized gains/(loss) on investments - fair value through profit or loss	3,361,089	2,945,060	6,306,149	-	-	-
	87,548,371	119,842,901	207,391,272	151,424,604	238,578,858	388,827,558

27 OTHER INCOME

	2025	2024
	--------- (Rupees) ---------	
Interest on advance to a related party	46,635,368	73,773,470
Gain on sale of fixed assets	80,518,969	-
Others	14,131,703	5,170,327
	141,286,040	78,943,797

28 OTHER EXPENSES

	Note	2025			2024		
		WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
		------------- (Rupees) -------------			------------- (Rupees) -------------		
Employee benefit costs		120,082,139	70,538,747	190,620,886	90,761,349	62,934,005	153,695,354
Legal and professional charges		24,976,641	14,671,798	39,648,439	32,689,485	22,666,920	55,356,405
Auditors' remuneration	28.1	291,340	5,377,637	5,668,977	908,660	2,930,997	3,839,657
Registration, subscription and association		7,848,152	4,610,168	12,458,320	8,405,625	5,828,468	14,234,093
Donations	28.2	7,334,766	3,460,631	10,795,397	11,949,240	8,285,614	20,234,854
Communication		1,924,313	1,130,382	3,054,695	2,782,802	1,929,598	4,712,400
IT related cost		35,446,912	20,822,254	56,269,166	26,735,980	18,538,754	45,274,734
Utilities		3,327,246	1,954,494	5,281,740	2,329,034	1,614,954	3,943,988
Depreciation - Right of use assets		-	11,184,509	11,184,509	-	14,497,397	14,497,397
Lease rentals		2,268,726	1,332,697	3,601,423	2,236,389	1,550,715	3,787,104
Others		10,628,370	4,816,484	15,444,854	5,735,800	5,687,276	11,423,076
		214,128,605	139,899,801	354,028,407	184,534,364	146,464,698	330,999,062

		2025	2024
28.1	**Auditor's Remuneration**	--------- (Rupees) ---------	
	Fee for audit of financial statements	**2,569,377**	1,250,000
	Fee for review of financial statements	**820,800**	617,826
	Fee for audit of financials for group reporting purpose	**756,000**	646,140
	Special certifications	**604,800**	573,325
	Out-of-pocket expenses	**918,000**	752,366
		5,668,977	3,839,657

28.2 Donations

These include donations made by the Company to the Patient Aid Foundation, Family Education Services Foundation amounting to Rs. 5 million, Rs. 1.3 million respectively. None of the directors, sponsor shareholders, key management personnel and their spouses had any interest in the donee, except for Mr. Ali Jameel who is on the Board of Governors of Patient Aid Foundation.

		2025	2024
29	**FINANCIAL CHARGES**	--------- (Rupees) ---------	
	Bank charges	**10,808,422**	5,033,308
	Mark up expense on lease obligation related to right-of-use assets	**16,496,700**	23,951,538
		27,305,122	28,984,846

		2025			2024		
		WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
30	**MINIMUM TAX DIFFERENTIAL**	-------------	(Rupees)	-------------	-------------	(Rupees)	-------------
	Minimum Tax Differential	-	-	-	2,973,546	26,123,743	29,097,289
		-	-	-	2,973,546	26,123,743	29,097,289

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

		2025			2024		
		WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
31	**TAXATION**	-------------	(Rupees)	-------------	-------------	(Rupees)	-------------
	For the year						
	Current tax expense	**19,042,852**	**41,941,803**	**60,984,655**	10,748,315	7,877,786	18,626,101
	Deferred tax income	**(10,173,148)**	**(12,654,153)**	**(22,827,301)**	8,009,087	17,338,993	25,348,080
	balance b/f	**8,869,704**	**29,287,650**	**38,157,354**	18,757,402	25,216,779	43,974,181
	For prior year						
	Current tax income	-	**(40,000,000)**	**(40,000,000)**	-	-	-
	Deferred	-	-	-	-	-	-
		8,869,704	**(10,712,350)**	**(1,842,646)**	18,757,402	25,216,779	43,974,181

31.1 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2025			2024		
	WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	-------------	(Rupees)	-------------	-------------	(Rupees)	-------------
Income tax under IAS 12	**19,042,852**	**41,941,803**	**60,984,655**	10,748,315	7,877,786	18,626,101
Income tax levy under IFRIC 21/IAS 37	-	-	-	2,973,546	26,123,743	29,097,289
Current tax liability as per Income Tax Ordinance	**19,042,852**	**41,941,803**	**60,984,655**	13,721,861	34,001,529	47,723,390

31.2 Numerical reconciliation between the applicable tax rate and average effective tax rate is as follows:

	2025			2024		
	WTO	Conventional	Consolidated	WTO	Conventional	Consolidated
	(Rupees)			(Rupees)		
Applicable tax rate	29%	29%	29%	29%	29%	29%
Effect of prior year tax	-	-	-	-	-	-
Impact of change in enacted rate	-	-	-	-	-	-
Others	3%	3%	3%	24%	24%	24%
Average effective tax rate	32%	32%	32%	53%	53%	53%

31.3 The tax rate applicable on the Company for Tax Year 2025 is 29% (2024: 29%) subject to minimum tax @ 1.25% of turnover.

32 EARNINGS PER SHARE – BASIC AND DILUTED

	2025	2024
	(Rupees)	
Profit after tax for the year attributable to shareholders	47,675,902	21,309,556
	(Number of Shares)	
Weighted average number of ordinary shares of Rs.10 each	198,453,366	198,394,462
	(Rupees)	
Profit per share - basic	0.24	0.11

33 COMPENSATION OF DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements, including all benefits, to the Chief Executive, Directors and Executives / Key Management Personnel of the Company are as follows:

	Chief Executive Officer		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees)							
Managerial remuneration	48,583,200	45,000,000	-	-	397,280,376	339,428,592	445,863,576	384,428,592
House rent allowance	17,416,800	15,000,000	-	-	135,180,000	113,142,864	152,596,800	128,142,864
Retirement benefits	3,679,068	3,224,712	-	-	27,450,276	18,417,648	31,129,344	21,642,360
Director fee	-	-	6,100,000	5,700,000	-	-	6,100,000	5,700,000
	69,679,068	63,224,712	6,100,000	5,700,000	559,910,652	470,989,104	635,689,720	539,913,816
Number of persons	1	1	4	4	109	84	114	89

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

34 TRANSACTIONS WITH RELATED PARTIES

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

	2025	2024
34.2 Balances and transactions with related parties	--------- (Rupees) ---------	
TPL Trakker Limited - (associated company)		
Opening balance - receivable	5,427,539	-
Interest charged during the year	46,635,368	73,773,470
Net expenses charged - group shared costs	2,951,102	(7,929,931)
Rent and other services on tracking units	(84,348,118)	(95,934,896)
Assets sold	5,570,000	-
Assets purchased	(5,207,555)	-
Insurance services rendered	3,536,207	3,575,244
Net payments made by the Company	26,476,151	31,943,652
Closing balance - receivable	1,040,694	5,427,539
Advance to TPL Trakker Limited - (associated company)		
Opening balance - receivable	292,746,351	292,746,351
Closing balance - receivable	292,746,351	292,746,351

This represents advance to a related party. A special resolution of the shareholders authorising the Company to extend advance upto Rs.300 million was passed in Annual General Meeting of the Company held on 30 April, 2025. The balance carries interest at the rate of 1 year KIBOR + 3.5% with a floor of 10% per annum.

	2025	2024
	--------- (Rupees) ---------	
TPL Properties Limited - common directorship		
Opening balance - receivable / (payable)	3,151,837	131,570
Net payments received during the year	(56,167,059)	-
Assets Sold	50,000,000	-
Insurance services rendered	1,388,530	308,016
Expenses incurred by the Company / (on behalf of the Company)	1,626,692	2,712,251
Closing balance - receivable	-	3,151,837
TPL Properties Management (Private) Limited - common directorship		
Opening balance - payable	(1,472,823)	(1,472,823)
Closing balance - payable	(1,472,823)	(1,472,823)
TPL Security Services (Private) Limited - common directorship		
Opening balance - receivable / (payable)	1,204,712	528,647
Expenses incurred by the Company	141,953	603,565
Services received during the year	(9,638,652)	(6,030,648)
Payments made during the year	9,638,652	6,030,648
Insurance services rendered	83,276	72,500
Closing balance - receivable	1,429,941	1,204,712
TPL Direct Insurance Limited Employees Provident Fund		
Opening balance - payable	(5,573,412)	(4,300,968)
Charge for the year	(84,021,406)	(64,010,588)
Contribution made during the year	82,462,378	62,738,144
Closing balance - payable	(7,132,440)	(5,573,412)

	2025	2024
34.3 Balances and transactions with related parties (continued)	--------- (Rupees)	---------
TPL Life Insurance Limited - common directorship		
Opening balance - receivable	**5,824,092**	2,783,751
Expenses incurred by the Company / (on behalf of the Company)	**19,413,562**	37,260,165
Services received from the Company	**-**	(4,996,207)
Insurance services rendered	**4,592,158**	4,278,149
Net payments received during the year	**(27,876,912)**	(33,501,766)
Closing balance - receivable	**1,952,900**	5,824,092
TPL Corp Limited - parent company		
Opening balance - payable	**6,121,841**	(388,547)
Expenses incurred by the company / (on behalf of the company)	**(36,477,951)**	(46,062,094)
Net payments made during the year	**10,118,056**	52,441,233
Assets Sold	**19,365,912**	-
Insurance services rendered	**872,142**	131,249
Closing balance - (payable) / receivable	**-**	6,121,841
Astra Location Services (Private) Limited		
Opening balance - receivable / (payable)	**5,411,632**	1,435,671
Expenses Incurred	**1,951,725**	3,956,815
Insurance services rendered	**-**	19,146
Closing balance - receivable	**7,363,357**	5,411,632
TPL REIT Management Company Limited - common directorship		
Opening balance - receivable / (payable)	**1,205,999**	1,955,517
Expenses incurred by the company / (on behalf of the company)	**2,253,380**	1,050,482
Payments received during the year	**-**	(1,800,000)
Closing balance - receivable	**3,459,379**	1,205,999
TPL Development		
Opening balance - receivable / (payable)	**268,971**	-
Expenses incurred by the company / (on behalf of the company)	**8,768**	12,501
Assets sold during the year	**15,500,000**	-
Payments received during the year	**(16,360,335)**	-
Insurance services rendered	**582,596**	256,470
Closing balance - receivable	**-**	268,971

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

35 SEGMENT REPORTING

	For the year ended December 31, 2025					
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
	---------- (Rupees) ----------					
Gross Written Premium						
(inclusive of administrative surcharge)	**551,494,444**	**247,703,600**	**4,049,167,673**	**420,235,115**	**487,086,422**	**5,755,687,254**
Gross direct premium	545,265,625	243,867,433	3,938,521,612	419,421,266	434,632,544	**5,581,708,480**
Facultative inward premium	3,643,927	-	1,082,731	-	43,794,946	**48,521,604**
Administrative surcharge	2,584,892	3,836,166	109,563,330	813,849	8,658,932	**125,457,169**
Insurance premium earned	731,423,932	238,449,877	3,598,562,925	525,303,558	409,880,566	5,503,620,857
Insurance premium ceded to reinsurers	(661,663,167)	(143,545,921)	(252,300,368)	-	(152,273,668)	(1,209,783,124)
Net insurance premium	**69,760,765**	**94,903,956**	**3,346,262,557**	**525,303,558**	**257,606,898**	**4,293,837,734**
Commission income	155,328,218	42,341,949	64,242,635	-	27,532,800	289,445,602
Net underwriting income	**225,088,983**	**137,245,904**	**3,410,505,192**	**525,303,558**	**285,139,698**	**4,583,283,336**
Insurance claims	(400,122,099)	(61,921,320)	(2,514,371,468)	(526,098,737)	(115,277,616)	(3,617,791,240)
Insurance claims recovered from reinsurers / salvage	339,966,964	45,064,932	982,958,980	18,498,856	63,773,615	1,450,263,346
Net Claims	**(60,155,135)**	**(16,856,388)**	**(1,531,412,488)**	**(507,599,881)**	**(51,504,001)**	**(2,167,527,894)**
Charge of premium deficiency reserve	-	-	-	4,782,148	-	4,782,148
Commission expense	(99,238,364)	(108,061,321)	(402,945,839)	(43,968,243)	(37,086,464)	(691,300,231)
Management expenses	(47,660,342)	(10,813,105)	(1,362,930,654)	(80,136,132)	(139,247,480)	(1,640,787,713)
Net insurance claims and expenses	**(207,053,841)**	**(135,730,814)**	**(3,297,288,981)**	**(626,922,108)**	**(227,837,945)**	**(4,494,833,689)**
Underwriting result	**18,035,142**	**1,515,090**	**113,216,211**	**(101,618,550)**	**57,301,753**	**88,449,647**
Investment income						207,391,272
Other income						141,286,040
Other expenses						(354,028,407)
Results of operating activities						83,098,552
Financial charges						(27,305,122)
Profit before tax						55,793,430
Corporate segment assets	**730,818,795**	**174,917,130**	**1,347,365,619**	**205,024,558**	**220,848,907**	**2,678,975,009**
Corporate unallocated assets						6,149,822,526
Total assets						**8,828,797,535**
Corporate segment liabilities	408,794,587	103,099,577	2,860,474,860	258,930,331	262,139,680	**3,893,439,035**
Corporate unallocated liabilities						2,146,830,531
Total liabilities						**6,040,269,566**

	For the year ended December 31, 2024					
	Fire and property damage	Marine, aviation and transport	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Gross Written Premium						
(inclusive of administrative surcharge)	848,582,208	168,096,999	3,217,027,354	523,768,264	262,969,548	5,020,444,372
Gross direct premium	733,576,148	162,600,041	3,128,748,299	523,107,109	259,432,530	4,807,464,126
Facultative inward premium	112,454,852	1,893,873	4,036,608	-	-	118,385,333
Administrative surcharge	2,551,208	3,603,085	84,242,447	661,155	3,537,017	94,594,913
Insurance premium earned	774,013,646	162,337,390	2,992,160,567	483,127,410	189,797,600	4,601,436,612
Insurance premium ceded to reinsurers	(678,001,172)	(110,563,176)	(262,405,866)	-	(126,322,035)	(1,177,292,248)
Net insurance premium	96,012,474	51,774,214	2,729,754,701	483,127,410	63,475,565	3,424,144,364
Commission income	128,107,479	27,115,764	64,734,572	-	18,364,939	238,322,754
Net underwriting income	224,119,953	78,889,978	2,794,489,273	483,127,410	81,840,504	3,662,467,118
Insurance claims	(223,533,735)	(98,381,039)	(1,682,831,149)	(412,646,271)	(43,963,469)	(2,461,355,663)
Insurance claims recovered from reinsurers / salvage	203,479,423	75,185,307	505,953,546	2,223,625	18,200,779	805,042,680
Net Claims	(20,054,312)	(23,195,733)	(1,176,877,604)	(410,422,646)	(25,762,689)	(1,656,312,983)
Charge of premium deficiency reserve	-	-	-	(2,040,379)	-	(2,040,379)
Commission expense	(109,914,539)	(25,487,332)	(398,449,891)	(37,778,413)	(17,380,303)	(589,010,477)
Management expenses	(40,348,333)	(21,232,516)	(1,175,839,210)	(113,795,836)	(26,975,581)	(1,378,191,476)
Net insurance claims and expenses	(170,317,184)	(69,915,581)	(2,751,166,705)	(564,037,274)	(70,118,572)	(3,625,555,314)
Underwriting result	53,802,769	8,974,397	43,322,569	(80,909,864)	11,721,932	36,911,805
Investment income						388,827,558
Other income						78,943,797
Other expenses						(330,999,062)
Results of operating activities						173,684,098
Financial charges						(28,984,846)
Profit before tax for the period						144,699,252
Corporate segment assets	923,230,477	156,663,392	1,164,521,543	202,697,296	156,474,873	2,603,587,581
Corporate unallocated assets						5,335,413,447
Total assets						7,939,001,028
Corporate segment liabilities	784,830,147	113,627,892	2,327,522,855	352,367,995	198,246,034	3,776,594,923
Corporate unallocated liabilities						1,411,842,968
Total liabilities						5,188,437,891

36 MOVEMENT IN INVESTMENTS	At Amortized cost	At Fair value through other comprehensive income	At Fair value through profit and loss	Total
As at 1 January 2024	1,583,006,754	532,723,454	136,730,290	2,252,460,498
Additions	442,781,182	-	-	442,781,182
Disposals (sale and redemption)	(500,000,000)	(250,000,000)	-	(750,000,000)
Fair value net gains (excluding net realized gains)	-	57,288,501	72,003,720	129,292,221
Amortisation of premium / discount	7,215,804	-	-	7,215,804
As at 31 December 2024	1,656,538,740	340,011,955	208,734,010	2,081,749,705
Additions	235,430,312	-	-	235,430,312
Disposals (sale and redemption)	(118,500,000)	(206,760,996)	(208,734,010)	(533,995,006)
Fair value net gains (excluding net realized gains)	-	(69,282,194)	-	(69,282,194)
Amortisation of premium / discount	6,604,671	-	-	6,604,671
As at 31 December 2025	**1,656,538,723**	**63,968,765**	**-**	**1,720,507,488**

37 MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

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

37.1 INSURANCE RISK MANAGEMENT

37.1.1 INSURANCE RISK

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of compensation to the insured. Generally most insurance contracts carry the insurance risk for a period of one year.

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

The Company's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate reinsurance is arranged to mitigate the effect of the potential loss to the Company from individual to large or catastrophic insured events. Further, the Company adopts strict claim review policies including active management and prompt pursuing of the claims and regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the insurance risk.

37.1.2 FREQUENCY AND SEVERITY OF CLAIMS

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

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

37.1.3 UNCERTAINTY IN THE ESTIMATION OF FUTURE CLAIM PAYMENTS

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

An estimated amount of the claim is recorded immediately on the intimation to the Company. The estimation of the amount is based on management judgment or preliminary assessment by the independence surveyor appointed for the purpose. The initial estimates include expected settlement cost of the claims. Provision for IBNR is based on the management's best estimate which takes into account expected future patterns of reporting of claims and the claim actually reported subsequent to the balance sheet date. There are several variable factors which affect the amount and timing of recognized claim liabilities. The Company takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from initial recognized amount. Outstanding claims are reviewed on a periodic basis.

37.1.4 KEY ASSUMPTIONS

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

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

37.1.5 SENSITIVITY ANALYSIS

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

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

	Underwriting results / profit before tax		Shareholder's equity	
	2025	2024	2025	2024
Average claim cost	---------- (Rupees) ----------		---------- (Rupees) ----------	
Fire and property damage	**6,015,513**	2,005,431	**4,271,014**	1,423,856
Marine, aviation and transport	**1,685,639**	2,319,573	**1,196,804**	1,646,897
Motor business	**153,141,249**	117,687,760	**108,730,287**	83,558,310
Health	**50,759,988**	41,042,265	**36,039,591**	29,140,008
Miscellaneous	**5,150,400**	2,576,269	**3,656,784**	1,829,151
	216,752,789	165,631,298	**153,894,480**	117,598,222

37.1.6 Concentration of risk

To optimise benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risk with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the insured property.

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

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

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

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

	Gross sum insured		Reinsurance		Net	
	2025	2024	2025	2024	2025	2024
	(Rupees)					
Fire & property damage	**8,450,809,213**	11,398,500,000	**8,435,809,213**	11,387,250,000	**15,000,000**	11,250,000
Marine, aviation & transport	**947,741,428**	1,026,124,810	**940,971,847**	1,020,994,186	**6,769,582**	5,130,624
Motor business	**145,000,000**	97,456,616	**102,503,400**	37,456,616	**42,496,600**	60,000,000
Health	**2,500,000**	1,800,000	**-**	-	**2,500,000**	1,800,000
Miscellaneous	**10,000,000,000**	1,829,000,000	**9,995,000,000**	1,792,420,000	**5,000,000**	36,580,000
	19,546,050,641	14,352,881,426	**19,474,284,460**	14,238,120,802	**71,766,182**	114,760,624

37.1.8 **Claims development table**

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

Analysis on gross basis

Accident year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
	(Rupees)										
Estimate of ultimate claims cost:											
At end of accident year	1,119,834,954	1,189,630,891	1,341,453,975	1,210,488,108	1,634,557,771	1,938,583,064	2,254,927,227	2,455,735,015	2,933,002,667	3,605,549,219	**3,605,549,219**
One year later	1,149,396,121	1,230,902,945	1,357,839,571	1,287,541,912	1,484,700,070	1,869,147,970	2,038,126,726	2,589,860,440	3,577,394,265	-	**3,577,394,265**
Two years later	1,144,863,477	1,237,132,102	1,363,015,496	1,290,367,150	1,478,534,960	1,463,852,253	2,070,396,038	2,664,030,450	-	-	**2,664,030,450**
Three years later	1,145,603,367	1,236,822,201	1,357,214,722	1,298,896,551	1,460,758,770	1,483,934,832	2,086,748,003	-	-	-	**2,086,748,003**
Four years later	1,143,148,973	1,236,670,364	1,359,727,997	1,296,529,340	1,466,465,409	1,498,783,267	-	-	-	-	**1,498,783,267**
Five years later	1,143,506,520	1,242,789,941	1,363,069,902	1,304,412,625	1,467,804,471	-	-	-	-	-	**1,467,804,471**
Six years later	1,148,083,959	1,248,300,421	1,363,098,518	1,305,101,837	-	-	-	-	-	-	**1,305,101,837**
Seven years later	1,149,793,751	1,248,307,421	1,363,913,902	-	-	-	-	-	-	-	**1,363,913,902**
Eight years later	1,149,845,466	1,248,733,656	-	-	-	-	-	-	-	-	**1,248,733,656**
Nine years later	1,150,045,466	-	-	-	-	-	-	-	-	-	**1,150,045,466**
Estimate of cumulative claims	1,150,045,466	1,248,733,656	1,363,913,902	1,305,101,837	1,467,804,471	1,498,783,267	2,086,748,003	2,664,030,450	3,577,394,265	3,605,549,219	**21,331,203,054**
Cumulative payments to date	(1,150,045,466)	(1,248,733,656)	(1,363,913,902)	(1,305,101,837)	(1,466,566,719)	(1,491,769,408)	(2,077,592,091)	(2,628,831,138)	(3,465,363,039)	(2,422,885,910)	**(19,983,891,684)**
Liability for outstanding claims	-	-	-	-	1,237,752	7,013,859	9,155,912	35,199,312	112,031,225	1,182,663,309	**1,347,301,370**

38 FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

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

38.1 **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.

38.1.1 Management of credit risk

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

- Credit rating and / or credit worthiness of the counter party is taken into account along with the financial background so as to minimize the risk of default. Collaterals are obtained wherever appropriate / relevant.
- The risk of counterparty exposure due to failed agreements causing a loss to the Company is mitigated by a periodic review of the credit ratings, financial statements, credit worthiness, etc. on a regular basis and makes provision against those balances considered doubtful of recovery.
- Loans given to employees are deductible from the salary of the employees.
- Cash is held with reputable banks only.

To reduce the credit risk the management continuously reviews and monitors the credit exposure towards the policyholders and other insurers/reinsurers and makes provision against those balances considered doubtful of recovery.

38.1.2 Exposure to credit risk

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

	2025		2024	
	Balance as per the financial statements	Maximum exposure	Balance as per the financial statements	Maximum exposure
	--------- (Rupees) ---------		--------- (Rupees) ---------	
Investment in government securities	**252,853,325**	**252,853,325**	248,329,807	248,329,807
Term deposits	**1,403,685,398**	**1,403,685,398**	1,284,673,933	1,284,673,933
Loans and other receivables	**632,079,611**	**632,079,611**	543,801,232	543,801,232
Insurance / reinsurance receivables	**1,241,214,019**	**1,241,214,019**	904,024,076	904,024,076
Reinsurance recoveries against outstanding claims	**710,912,901**	**710,912,901**	486,894,604	486,894,604
Salvage recoveries accrued	**444,397,811**	**444,397,811**	283,310,869	283,310,869
Bank balances	**2,993,708,232**	**2,993,708,232**	2,471,144,201	2,471,144,201
	7,678,851,297	**7,678,851,297**	6,222,178,722	6,222,178,722

38.1.3 Past due / impaired assets

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

	2025		2024	
	Gross	Impairment	Gross	Impairment
	--------- (Rupees) ---------		--------- (Rupees) ---------	
0-90 days	849,657,957	-	700,998,065	-
Over 90 days	510,212,809	(118,656,738)	301,527,601	(98,501,590)
Total	**1,359,870,766**	**(118,656,738)**	1,002,525,666	(98,501,590)

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

	2025		2024	
	Gross	Impairment	Gross	Impairment
	--------- (Rupees) ---------		--------- (Rupees) ---------	
Upto 1 year	-	-	-	-
1-2 years	-	-	-	-
Over 2 years	9,754,393	(9,754,393)	9,754,393	(9,754,393)
Total	9,754,393	(9,754,393)	9,754,393	(9,754,393)

Age analysis of reinsurance recoveries against outstanding claims at the reporting date was:

	2025		2024	
	Gross	Impairment	Gross	Impairment
	--------- (Rupees) ---------		--------- (Rupees) ---------	
Upto 1 year	**596,473,440**	**-**	374,689,313	-
1-2 years	**73,940,246**	**-**	65,031,335	-
Over 2 years	**40,499,214**	**-**	47,173,957	-
Total	**710,912,900**	**-**	486,894,604	-

In respect of the aforementioned insurance and reinsurance assets, the Company takes into account its past history / track record of recoveries and financial position of the counterparties while creating provision for impairment. Further, reinsurance recoveries are made when corresponding liabilities are settled.

38.1.4 Credit Rating and Collateral

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

Long term Rating	Rating Agency	Amount (in Rupees) 2025	2024
		--------- (Rupees) ---------	
A, A-, AA, AA-, AA+ & AAA	JCR-VIS	**3,921,437,182**	98,841,758
A+, AA, AA-, AA+ & AAA	PACRA	**475,956,448**	3,079,733,963
BBB-	JCR-VIS	**-**	577,242,412
		4,397,393,630	3,755,818,133

The Company enters into re-insurance / co-insurance arrangements with re-insurers / other insurers having sound credit ratings accorded by reputed credit rating agencies. The Company is required to comply with the requirements of circular no. 32 / 2009 dated October 27, 2009 issued by SECP which requires an insurance company to place at least 80% of their outward treaty cessions with reinsurers rated 'A' or above by Standard

& Poors with the balance being placed with entities rated at least 'BBB' by reputable ratings agency. An analysis of all reinsurance assets relating to outward treaty cessions recognised by the rating of the entity from which it is due is as follows:

	Reinsurance recoveries against outstanding claims	Prepaid reinsurance premium ceded	2025	2024
	(Rupees)			
A or above (including PRCL)	**710,912,900**	**346,858,515**	**1,057,771,415**	977,539,365

38.1.5 Concentration of credit risk

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The Company manages concentration of credit risk through diversification of activities among individuals, groups and industry segments.

Sector-wise analysis of premium due but unpaid at the reporting date was:

	2025		2024	
	(Rupees)	%	(Rupees)	%
Individuals	**117,438,274**	**14%**	130,552,115	14%
Corporate	**1,123,775,745**	**86%**	832,509,033	86%
	1,241,214,019	**100%**	963,061,148	100%

38.1.6 Settlement risk

The company's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

This risk is addressed more or less in accordance with the parameters set out in the credit risk management above.

38.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or may face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

38.2.1 Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfil its obligation; monitoring balance sheet liquidity ratios against internal and external requirements and maintaining debt financing plans.

38.2.2 Maturity analysis for financial assets and liabilities

The table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to maturity date and represents the undiscounted cash flows. The amounts in the table are the gross nominal undiscounted cash flows (including interest payments).

38.3 Market risk

	2025		
	Carrying amount	Upto one year	More than one year
	---------------- (Rupees) ----------------		
Financial assets			
Investments			
Equity securities and mutual fund units	63,968,765	63,968,765	-
Government Securities	252,853,325	-	252,853,325
Term deposits	1,403,685,398	1,403,685,398	-
Loans and other receivables	632,079,611	632,079,611	-
Cash and bank balances	2,993,708,232	2,993,708,232	-
	5,346,295,331	5,093,442,006	252,853,325
Financial liabilities			
Other creditors and accruals	1,165,988,061	1,165,988,061	-
Lease liability against right-of-use asset	122,837,153	65,970,890	56,866,263
	1,288,825,214	1,231,958,951	56,866,263

	2024		
	Carrying amount	Upto one year	More than one year
	---------------- (Rupees) ----------------		
Financial assets			
Investments			
Equity securities and mutual fund units	548,745,965	548,745,965	-
Government Securities	248,329,807	-	248,329,807
Term deposits	1,284,673,933	1,284,673,933	-
Loans and other receivables	543,801,232	543,801,232	-
Cash and bank balances	2,471,144,201	2,472,114,002	-
	5,096,695,138	4,849,335,132	248,329,807
Financial liabilities			
Other creditors and accruals	716,093,455	716,093,455	-
Lease liability against right-of-use asset	140,008,405	64,902,545	75,105,860
	856,101,860	780,996,000	75,105,860

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will effect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Company is exposed to interest rate risk, currency risk and other price risk.

38.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from balances held in profit and loss sharing accounts with reputable banks and government securities. The Company limits interest rate risk by monitoring changes in interest rates. Other risk management procedures are the same as those mentioned in the credit risk management.

38.3.1.1 Sensitivity analysis

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument are as follows:

Financial assets	2025	2024	2025	2024
	Effective interest rate (in %)		-------- (Rupees) --------	
Assets subject to fixed rate				
- Government securities	**7.50%-10.50%**	7.50%-10.50%	**252,853,325**	248,329,807
- Term deposits	**3.75-10.50%**	4.50-13.00%	**1,403,685,398**	1,284,673,933
- Loan to employees	**0% - 5.00%**	0% - 5.00%	**8,316,615**	10,202,715
Assets subject to variable rate				
- Advance to related parties	**16%**	19.50-25.20%	**292,746,351**	292,746,351
- Bank balances	**7.00%-12%**	9%-13.00%	**1,944,725,413**	1,902,398,147

Fair value sensitivity analysis for fixed rate instruments.

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

Cash flow sensitivity analysis for variable rate instruments.

A hypothetical change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

38.3.1.2 Exposure to interest rate risk

	2025		2024	
	Profit and loss 100 bps		Profit and loss 100 bps	
	Increase	Decrease	Increase	Decrease
	--------- (Rupees) ---------		--------- (Rupees) ---------	
Cash flow sensitivity -				
Variable rate financial assets	**31,886,328**	**(31,886,328)**	21,951,445	(21,951,445)

A summary of the Company's interest rate gap position, categorised by the earlier of contractual re-pricing or maturity date, is as follows:

38.3.2 Price risk

	2025			
	less than 1 year	1 year to 5 years	More than 5 years	Total
	(Rupees)			
Assets				
Investment in government securities	-	252,853,325	-	252,853,325
Investment in debt securities	-	-	-	-
Term deposits	1,403,685,398	-	-	1,403,685,398
Loans and other receivables	632,079,611	-	-	632,079,611
Bank balances	1,985,343,205	-	-	1,985,343,205
Total assets	4,021,108,214	252,853,325	-	4,273,961,539
Liabilities				
Lease liability against right-of-use asset	65,970,890	56,866,263	-	122,837,153
Total interest sensitivity gap	3,955,137,324	195,987,062	-	4,110,506,594

	2024			
	less than 1 year	1 year to 5 years	More than 5 years	Total
	(Rupees)			
Assets				
Investment in government securities	-	248,329,807	-	248,329,807
Term deposits	1,284,673,933	-	-	1,284,673,933
Loans and other receivables	543,801,232	-	-	543,801,232
Bank balances	1,902,398,147	-	-	1,902,398,147
Total assets	3,730,873,312	248,329,807	-	3,979,203,119
Liabilities				
Lease liability against right-of-use asset	64,902,545	75,105,860	-	140,008,405
Total interest sensitivity gap	3,665,970,767	173,223,947	-	3,839,194,713

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Company is exposed to equity price risk since it has investments in quoted equity securities at the balance sheet date.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favourable. Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold. The Company has no significant concentration of price risk.

38.3.2.1 Sensitivity analysis

The table below summarizes Company's equity price risk as of 31 December 2022 and 2021 and shows the effects of a hypothetical 10% increase / decrease in market prices as at the year end. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse in Company's equity investment portfolio because of the nature of equity markets.

	Hypothetical price change	Estimated fair value after change in prices	Increase / (decrease) in shareholders' equity	Increase (decrease) in profit before tax
	------------------------	(Rupees)	------------------------	
2025	**10% increase**	**70,365,642**	**4,541,783**	**6,396,877**
	10% decrease	**57,571,889**	**(4,541,783)**	**(6,396,877)**
2024	10% increase	603,620,562	38,960,964	54,874,597
	10% decrease	493,871,369	(38,960,964)	(54,874,597)

38.3.3 Foreign currency risk

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

38.4 Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

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

The minimum paid up capital requirements for non-life insurer is Rs. 500 million prescribed by SECP under Insurance Rules, 2017. The company is in compliance with the prescribed minimum paid up capital requirement at the year end. In addition, the Company is also required to maintain minimum solvency in accordance with the rules and regulations set by the SECP. The Company's status of compliance with solvency requirement is disclosed in note 39 to the financial statements.

38.5 Fair value of financial assets and liabilities

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

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

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

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

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

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

	2025		
	Fair value measurement using		
	Level 1	Level 2	Level 3
	--------------- (Rupees) ---------------		
At fair value through other comprehensive income	**19,559,341**	**-**	**44,409,024**
At fair value through profit or loss	**-**	**-**	**-**
At amortized cost	**-**	**252,853,325**	**-**
	19,559,341	**252,853,325**	**44,409,024**

	2024		
	Fair value measurement using		
	Level 1	Level 2	Level 3
	--------------- (Rupees) ---------------		
At fair value through other comprehensive income	295,602,931	-	44,409,024
At fair value through profit or loss	208,734,010	-	-
At amortized cost	-	248,329,807	-
	504,336,941	248,329,807	44,409,024

38.5.1 Transfers during the year

During the year ended December 31, 2025:

- There were no transfers between Level 1 and Level 2 fair value measurements

- There were no transfers into or out of Level 3 fair value measurements

38.5.2 Valuation techniques

Fair value of investments classified as held to maturity is assessed using level 2 inputs usually closing market price as per rates prescribed by Financial Market Association of Pakistan by using PKRV rates at reporting date per certificates multiplied by the number of certificates held.

Fair value of Investments at fair value through profit or loss is determined using level 1 inputs i.e., quoted market prices of listed securities / NAVs of open end mutual funds.

39 STATEMENT OF SOLVENCY

This statement represents the consolidated solvency position of the Company including Conventional business, Participants' Takaful Fund and Operator's Fund. The solvency position of Participants' Takaful Fund is disclosed in the separate financial statements of WTO.

	2025	2024
	--------- (Rupees) ---------	
Assets		
Property and equipment	350,222,499	313,172,218
Intangible assets	22,561,980	8,251,406
Investments		
Equity securities and mutual fund units	63,968,765	548,745,965
Government Securities	252,853,325	248,329,807
Term deposits	1,403,685,398	1,284,673,933
Loans and other receivables	632,079,611	543,801,232
Insurance / reinsurance receivables	1,241,214,019	904,024,076
Reinsurance recoveries against outstanding claims	710,912,901	486,894,604
Salvage recoveries accrued	444,397,811	283,310,869
Deferred commission expense	263,028,866	298,538,985
Deferred taxation	31,840,419	-
Prepayments	416,636,720	547,143,931
Cash and bank balances	2,995,395,221	2,472,114,002
Total Assets (A)	8,828,797,535	7,939,001,028
In-admissible assets		
Property and equipment	208,513,088	239,800,030
Intangible assets	22,561,980	8,251,406
Investments		
Equity securities	-	257,002,986
Loans and other receivables	316,309,238	331,565,689
Insurance/ reinsurance receivable	391,556,071	203,026,011
Deferred taxation	31,840,419	-
Prepayments	26,699,268	12,982,791
Cash and bank balances	465,820,318	230,441,936
Total of In-admissible Assets (B)	1,463,296,155	1,283,070,849
Total of Admissible Assets (C=A-B)	7,365,501,380	6,655,930,179
Total Liabilities		
Underwriting Provisions		
Outstanding claims including IBNR	1,347,301,370	1,051,838,081
Unearned premium reserves	2,694,850,721	2,442,784,326
Unearned reinsurance commission	92,029,176	130,928,529
Premium deficiency reserve	6,253,437	11,035,585
Premium received in advance	4,486,871	12,289,866
Insurance / reinsurance payables	460,771,818	463,187,328
Other creditors and accruals	1,165,988,061	716,093,455
Lease liability against right-of-use asset	122,837,153	140,008,405
Deferred Taxation	-	37,247,077
Taxation less provision for payment	145,750,959	183,025,239
Total Liabilities (D)	6,040,269,566	5,188,437,891
Total Net Admissible Assets (E= C-D)	1,325,231,814	1,467,492,288
Minimum Solvency Requirement	(860,974,664)	(684,828,873)
Excess Solvency	464,257,150	782,663,415

40 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified for better presentation, however, there are no material reclasifications to dosclose.

41 NUMBER OF EMPLOYEES

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

	2025	2024
	--------- (Rupees) ---------	
At year end	**365**	372
Average during the year	**358**	361

42 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on February 26, 2026 by the Board of Directors of the Company.

43 GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

SHARIAH ADVISOR'S REPORT 2025

بسم الله الرحمن الرحيم

الحمد للّٰه رب العالمين والصلاة والسلام على رسوله الكريم:أما بعد

INTRODUCTORY WORDS:

As Shariah Advisor of Window Takaful Operations TPL Insurance Limited (WTO) I thankful to Allah almighty who gave me an opportunity to provide my expertise in the light of Shariah for promote and supervise Takaful operations according to SECP's Takaful rules 2012. Alhamdu lillah, TPLI WTO has successfully completed another financial year ended 31st December 2025 and entered in 12th year of Takaful operation with significant and mentionable growth in Takaful operations which is clear by the company's financial report for 2025 and in other side with appropriate increase in Takaful fund(PTF) contributions with large number of participants.

I think this is my primary responsibility in the capacity of company's Shariah Advisor to ensure that the all financial contracts, policies, operational process and transactions entered into by the company with its participants and stakeholders are in compliance with the requirements of Shariah guidelines and in line with Takaful rules 2012.

On other side, it is the responsibility of the company's management as Takaful operator and in capacity of Wakeel of PTF to ensure that the advises and instructions given by the Shariah Advisor and the guidelines set by the regulatory authority are fully complied with Shariah rules such as policies, products and services being offered by the company are also approved by the Shariah Advisor.

Scope & Objectives of Shariah Review

The scope of the Shariah Review is to evaluate and monitor the overall functions of TPLI- WTO in accordance with the Shariah Principles and advise the company in the light of guidelines laid by SECP.

The core objective of the Shariah Review is to determine that appropriate procedures and control mechanism is effectively in place for all major functions such as Policy issuance, product development, Claims Settlements, Re-Takaful Arrangements, Financial transactions of the TPLI - WTO.

Shariah Advisor's view

I think it is appropriate to share my view on some basic points:

1. **Operations;**

   As per Shariah compliance report 2025, the Takaful operations in motor Takaful and other than motor (Commercial line Takaful products) overall are in line with Takaful rules.

2. **Training;**

   Various in house mandatory training sessions on Takaful operations during the year2025 arranged by the company, and conducted under supervision of Shariah Compliance for WTO's employees and staff Specially Sales, Underwriting, Claims and Finance departments of company.

3. **Shariah Compliance:**

   I personally thankful to the our Shariah compliance department on its consistent and effective efforts are very useful to monitor daily transactions, it is obvious that Shariah compliance function is fundamental requirement in achieving the objectives of Takaful Operations to operate as per Shariah principles.

The Company has a reliable Shariah compliance mechanism to monitor the functions of Takaful operations on regular basis, hence an experienced and expert Islamic scholar acts as Shariah Compliance Officer. Shariah Compliance Officer ensures and supervise on regular basis that the functions of TPLI-WTO including policy issuance, re-Takaful arrangements, claim settlements and financial arrangements are undertaken as per the applicable regulatory guidelines and instructions issued by the Shariah Advisor.

4. Segregation

Segregation of all aspects of Window Takaful Operations is the essential part of valid Takaful contracts, Alhamdulillah, TPLI (WTO) has taken significant steps in this regard and all the Takaful Funds, Investments, Bank accounts, financial systems and other related issues are kept separate from its conventional insurance business, as per requirement of Shariah and Takaful Rules 2012.

5. Investments

The investments have been made from the Participant Takaful Fund (PTF) and Operator's Fund, into Shariah Compliant avenues only, including Islamic Banks and Shariah.

Compliant Equities, Further all bank accounts related to Window Takaful Operations have been opened in Islamic Banking Institutions (IBIs) or Islamic Branches/Windows of conventional banks with approval of Shariah advisor.

CONCLUSION:

In my opinion and as my best knowledge, the overall structure and operations of TPLI - WTO are in accordance with Shariah Principles and Takaful Rules issued by SECP. As Shariah Advisor, I feel that it is my Shariah responsibility to mention here that we could make Takaful operation much better and there is room for further improvement by taking some more effective steps towards compliance of guidelines, enhancing customized Takaful products, and by introducing a comprehensive Takaful awareness program.

The primary responsibility for ensuring Shariah compliance lies with the management of TPLI-WTO. The services provided were reviewed and operations undertaken by TPLI - WTO during the year ended 31 December 2025 in my opinion, were found overall in conformity with the principles and guidelines of SECP.

At this stage, it may be helpful that we should refresh our motive and intention for spreading Takaful by its right way. So hopefully the management will continue its efforts to promote Takaful as well and solve other related issues on its priority.

Finally, I pray that almighty Allah Ta'ala guide us to the righteous path in this regard to exercise and promote Takaful with its true spirit.

Allah Ta'ala knows better.

Karachi: 27 February 2026

Mufti Muhammad Talha Iqbal
Shariah Advisor

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INDEPENDENT REASONABLE ASSURANCE REPORT

To The Board of Directors on The Statement of Compliance With The Shariah Principles

We were engaged by the Board of Directors of TPL Insurance Limited (the Company) to report on the annexed Statement of Compliance (the Statement) with the Shariah Principles of the Window Takaful Operations (Takaful Operations) of the Company, as set out in the annexed Statement prepared by the management for the year ended December 31, 2025, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the annexed Statement presents fairly the status for the year ended December 31, 2025 of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholars.

Management's Responsibility for Shariah Compliance

The management is responsible for designing, implementing and maintaining internal controls relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012 and other applicable laws and regulations.

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. They are also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standards on Quality Management 1 "Quality Management for Firms That Perform Audits or Reviews of Historical Financial Information, Or Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents reflects the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Takaful Operations' compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. Reasonable assurance is less than absolute assurance.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

The procedure performed included:

- Evaluating the systems, procedures and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee/ Shariah Advisor and the Board of Directors;
- Testing the transactions relating to the Takaful operations, using an appropriate sample, to ensure that these are carried out in accordance with the laid procedures and practices including the regulations relating to the Takaful operations as laid down in Takaful Rules, 2012;
- Inspecting the Statement to assess whether it is prepared in accordance with Shariah Principles of Takaful Rules, 2012; and
- Taking necessary guidelines on Shariah matters from independent Shariah scholar referred above.

Characteristics and Limitations of the Statement

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

Applicable Criteria

The criteria for the assurance engagement against which the annexed statement has been assessed comprises of the Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the annexed Statement, for the year ended December 31, 2025, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Grant Thornton Anjum Rahman

Chartered Accountants
Karachi
Date: April 02, 2026

STATEMENT OF COMPLIANCE WITH THE TAKAFUL RULES, 2012 AND SHARIA RULES AND PRINCIPLES

The financial arrangements, contracts and transactions, entered into by TPL Insurance Limited- Window Takaful Operations (the Operator) for the year ended 31 December 2025 are in compliance with the Takaful Rules, 2012 and the Sharia Rules and Principles determined by the Shariah Advisor of the Operator, (Sharia Rules and Principles).

Further, we confirm that:

- The Operator has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors have been implemented;

- The Operator has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisor / Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;

- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions, entered into by Window Takaful Operations are in accordance with the polices approved by Shariah Advisor;

- The assets and liabilities of Operator are segregated from the TPL Insurance Limited's other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

This has been duly confirmed by the Shariah Advisor of the Operator.

Muhammad Aminuddin
Chief Executive Officer

Date: 27th February, 2026

Grant Thornton

Grant Thornton Anjum Rahman
1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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INDEPENDENT AUDITOR'S REPORT

To the members of TPL Insurance Limited - Window Takaful Operations

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **TPL Insurance Limited - Window Takaful Operations** (the Operator), which comprise the statement of financial position as at December 31, 2025, the statement of comprehensive income, the statement of changes in funds, the statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in 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), 2017, in the manner so required and respectively give a true and fair view of the state of the Operator's affairs for the year ended December 31, 2025, and of the profit, total comprehensive income, the changes in funds and its cash flows for the period then ended.

Basis for Opinion

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

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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Operator's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Operator's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Operator to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of comprehensive income, the statement of changes in 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) are in agreement with the books of account and returns;

c) investments made, expenditures incurred and guarantees extended during the period were for the purpose of the Operator's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980);

Other Matter

The annual financial statements of the Operator for the year ended December 31, 2024 were audited by another firm of Chartered Accountants, whose audit report date March 04, 2025 expressed an unmodified opinion on the afore-mentioned financial statements.

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

Grant Thornton Anjum Rahman

Chartered Accountants
Karachi
Date: April 02, 2026
UDIN: AR202510154QaZTWSINI

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	Operator's Fund 2025	Operator's Fund 2024	Participants' Takaful Fund 2025	Participants' Takaful Fund 2024
		----------- (Rupees) -----------		----------- (Rupees) -----------	
ASSETS					
Equipment	6	-	-	46,215,001	30,645,763
Investments					
Mutual funds	7	-	-	-	78,931,637
Term deposits	8	-	-	791,324,264	762,592,463
		-	-	791,324,264	841,524,100
Takaful / retakaful receivables	9	-	-	629,440,146	426,289,508
Retakaful recoveries against outstanding claims		-	-	333,252,585	157,275,423
Salvage recoveries accrued		-	-	339,039,373	190,217,697
Deferred wakala fee		-	-	750,752,651	550,496,231
Receivable from Participants' Takaful Fund	10	39,601,433	158,259,044	-	-
Accrued investment income		-	-	10,378,910	8,175,768
Deferred commission expense		155,703,425	173,512,076	-	-
Deferred taxation - net	11	-	-	5,373,750	-
Taxation - payments less provision		5,194,899	3,544,077	-	-
Prepayments	12	-	-	87,830,158	105,532,256
Bank balances	13	5,772,463	3,418,260	42,538,699	20,553,166
Total assets		206,272,220	338,733,457	3,036,145,537	2,330,709,912
EQUITY AND LIABILITIES					
RESERVES ATTRIBUTABLE TO:					
- OPERATOR'S FUND (OF)					
Statutory fund		50,000,000	50,000,000	-	-
Accumulated losses		(1,050,291,191)	(925,224,260)	-	-
		(1,000,291,191)	(875,224,260)	-	-
- WAQF / PARTICIPANTS' TAKAFUL FUND (PTF)					
Seed money		-	-	2,000,000	2,000,000
Accumulated surplus/deficit		-	-	15,694,461	5,734,290
Balance of WAQF / PTF		-	-	17,694,461	7,734,290
QARD-E-HASNA	14	(173,900,000)	(173,900,000)	173,900,000	173,900,000
LIABILITIES					
PTF underwriting provisions					
Outstanding claims (including IBNR)		-	-	772,098,400	503,473,738
Unearned contribution reserve		-	-	1,663,166,186	1,258,017,364
Reserved for unearned retakaful rebate		-	-	26,832,236	25,803,134
Contribution deficiency reserve		-	-	2,062,591	11,035,585
Unearned wakala fee		750,752,649	550,496,231	-	-
Contribution received in advance		-	-	1,439,210	1,604,918
Takaful / retakaful payables	15	-	-	143,963,125	83,407,275
Other creditors and accruals	16	70,645,222	42,127,242	126,136,608	55,550,344
Payable to TPL Insurance Limited	17	559,065,540	795,234,244	8,314,625	5,423,403
Payable to Operator's Fund	10	-	-	39,601,433	158,259,044
Deferred taxation - net	11	-	-	-	4,607,008
Taxation - provision less payments		-	-	60,936,662	41,893,810
Total liabilities		1,380,463,411	1,387,857,717	2,844,551,076	2,149,075,623
Total fund and liabilities		206,272,220	338,733,457	3,036,145,537	2,330,709,912

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		---------- (Rupees) ----------	
Participants' Takaful Fund			
Contribution earned net of wakala fee		1,660,226,584	1,272,602,019
Less: Contribution ceded to retakaful		(269,253,863)	(222,183,355)
Net takaful contribution	18	1,390,972,721	1,050,418,664
Net claims - reported / settled		(1,385,835,010)	(1,006,906,371)
- IBNR		(5,970,265)	(12,565,269)
	19	(1,391,805,275)	(1,019,471,640)
Reversal/ (charge) of contribution deficiency reserve		8,972,994	(5,674,679)
Other direct expenses	23	(53,421,709)	(59,220,394)
Deficit before investment income		(45,281,269)	(33,948,049)
Investment and other income	26	91,862,822	151,424,604
Less: Modarib's share of investment income	27	(27,558,847)	(45,427,381)
Surplus before taxation and minimum tax differential		19,022,706	72,049,174
Minimum tax differential		-	(2,973,546)
Surplus before taxation		19,022,706	69,075,628
Taxation	29	(9,062,534)	(18,757,402)
Surplus transferred to accumulated fund		9,960,172	50,318,226
Other comprehensive income:		-	-
Total comprehensive income for the year		9,960,172	50,318,226
Operator's Fund			
Wakala fee	22	1,307,981,426	976,397,552
Net commission expense	21	(300,729,100)	(276,391,447)
Management expenses	24	(947,667,001)	(723,165,418)
		59,585,325	(23,159,313)
Investment income		-	2,166
Modarib's share of PTF investment income		27,558,847	45,427,381
		87,144,172	22,270,234
Other expenses	25	(212,211,103)	(184,534,364)
Loss before taxation		(125,066,931)	(162,264,130)
Income tax expense		-	-
Loss after taxation		(125,066,931)	(162,264,130)
Other comprehensive income		-	-
Total comprehensive loss for the year		(125,066,931)	(162,264,130)

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

STATEMENT OF CHANGES IN FUND

FOR THE YEAR ENDED DECEMBER 31, 2025

	Attributable to Operator's Fund		
	Statutory fund	Accumulated loss	Total
	---------------- (Rupees) ----------------		
Balance as at January 1, 2024	50,000,000	(762,960,130)	(712,960,130)
Net comprehensive loss for the year	-	(162,264,130)	(162,264,130)
Balance as at December 31, 2024	50,000,000	(925,224,260)	(875,224,260)
Balance as at January 01 2025	**50,000,000**	**(925,224,260)**	**(875,224,260)**
Net comprehensive loss for the year	**-**	**(125,066,931)**	**(125,066,931)**
Balance as at December 31, 2025	**50,000,000**	**(1,050,291,191)**	**(1,000,291,191)**

	Attributable to participants of the PTF		
	Ceded money	Accumulated Surplus / (Deficit)	Total
	---------------- (Rupees) ----------------		
Balance as at January 01, 2024	2,000,000	(44,583,937)	(42,583,937)
Net comprehensive income for the year	-	50,318,226	50,318,226
Balance as at December 31, 2024	2,000,000	5,734,289	7,734,289
Balance as at January 01 2025	**2,000,000**	**5,734,289**	**7,734,289**
Net comprehensive income for the year	**-**	**9,960,172**	**9,960,172**
Balance as at December 31, 2025	**2,000,000**	**15,694,461**	**17,694,461**

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER | CHAIRMAN | CHIEF EXECUTIVE OFFICER | DIRECTOR | DIRECTOR

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2025

	Operator's Fund		Participants' Takaful Fund	
	2025	2024	2025	2024
	---------- (Rupees) ----------			
Operating activities				
(a) Takaful activities				
Contribution received	-	-	3,170,206,194	2,379,511,975
Retakaful contribution paid	-	-	(83,407,275)	(256,878,018)
Claims paid	-	-	(1,942,849,975)	(1,349,107,025)
Retakaful and other recoveries received	-	-	468,485,214	354,838,415
Commission paid	(316,256,048)	(357,295,252)	-	-
Commission received	62,049,223	54,806,501	-	-
Wakala fee paid by OF	1,597,580,151	1,003,000,000	-	-
Wakala fee paid by PTF	-	-	(1,597,580,152)	(1,003,000,000)
Mudarib fee paid by OF	40,000,000	50,000,000	-	-
Mudarib fee paid by PTF	-	-	(40,000,000)	(50,000,000)
Net cash inflow from takaful activities	1,383,373,326	750,511,249	(25,145,994)	75,365,347
(b) Other operating activities				
Income tax paid	4,414,170	631,634	-	(11,076,680)
Direct expenses paid	-	-	(50,042,956)	(12,085,590)
Management and other expenses paid	(1,158,385,698)	(917,147,769)	-	-
Other operating receipts	(227,047,594)	166,383,172	40,290,288	27,306,168
Net cash outflow from other operating activities	(1,381,019,122)	(750,132,963)	(9,752,668)	4,143,898
Total cash generated (used in) / from all operating activities	2,354,203	378,286	(34,898,662)	79,509,245
Investment activities				
Profit/ return received during the year	-	2,166	85,615,996	129,077,247
Total cash generated from investing activities	-	2,166	85,615,996	129,077,247
Financing activities				
Lease obligation paid	-	-	-	(34,049,940)
Payment of financial charges under lease obligation	-	-	-	(4,278,328)
Total cash used in financing activities	-	-	-	(38,328,268)
Net cash (used in) / generated from all activities	2,354,203	380,453	50,717,334	170,258,224
Cash and cash equivalents at beginning of the year	3,418,260	3,037,807	783,145,629	612,887,405
Cash and cash equivalents at end of the year	5,772,463	3,418,260	833,862,963	783,145,629
Reconciliation to profit and loss account				
Operating cash flows	2,354,203	378,286	(34,898,662)	79,509,245
Depreciation and amortization	-	-	-	(29,189,554)
Bad debt expense	-	-	-	(5,000,000)
Reversal/ (charge) of contribution deficiency reserve	-	-	8,972,994	(5,674,679)
Income tax paid	-	-	-	11,076,680
Provision for taxation	-	-	(9,062,534)	(18,757,402)
Investment income	-	2,166	91,862,822	151,424,604
(Increase)/ decrease in assets other than cash	(134,815,437)	159,147,850	507,353,159	133,547,352
Increase/ (decrease) in liabilities	7,394,304	(321,792,432)	(554,267,606)	(266,618,020)
(Deficit)/ surplus after taxation	(125,066,931)	(162,264,130)	9,960,172	50,318,226

Definition of cash

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

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1 STATUS AND NATURE OF BUSINESS

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

1.2 For the purpose of carrying on the takaful business, the Operator formed a Waqf / Participant Takaful Fund (PTF) on August 20, 2014 under the Waqf deed. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

2 BASIS OF PREPARATION

These financial statements have been prepared in line with the format issued by the SECP through General Takaful Accounting Regulations, 2019 and SECP circular no. 25 of 2015 dated July 09, 2015.

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

2.1 Statement of compliance

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

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

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

Where the provisions of and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017, SECP Takaful Rules 2012 and General Takaful Accounting Regulations 2019 differ with that issued under IFRS, the provisions and directives issued under Companies Act 2017, Insurance Ordinance 2000, Insurance Rules 2017, Insurance Accounting Regulations 2017, SECP Takaful Rules 2012 and General Takaful Accounting Regulations 2019 have been followed.

SECP, via S.R.O. 311(I)/2025 dated March 3, 2025, has amended the General Takaful Accounting Regulations, 2019. The amendments allow insurers having Window Takaful Operations to consolidate the assets, liabilities, income and expenses of Window Takaful Operations (i.e. OPF and PTF) with conventional business in the financial statements if they represent 25% or more of total gross contributions. Detailed notes and segment disclosures under IFRS 8 are required to provide breakdown of WTO and Conventional items. The Company has adopted these amendments effective January 01, 2025. As the Company's Window Takaful Operations meet the prescribed threshold, the Company has incorporated the in the consolidated financial statements. In compliance with the amended regulations, the Company has also provided detailed notes and segment disclosures in accordance with IFRS 8, presenting a complete breakdown of Window Takaful Operations and conventional business.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except investments which are carried at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is also the Company's functional currency. All financial information presented in Pak Rupees has been rounded to nearest Rupees, unless otherwise stated.

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

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

The following stantdards, 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 IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2025

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2025
Amendmends to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2025
Amendmends to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2025

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.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts certain annual improvements have also been made to a number of IFRSs and IASs.	January 01, 2027

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

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

4 MATERIAL ACCOUNTING POLICIES INFORMATION

4.1 Taxation

4.1.1 Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

4.1.2 Levy

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

4.1.3 Deferred

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

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

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

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

4.2 Takaful contracts

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

A separate Participant's Takaful Fund (PTF) is created in which all contribution received under general takaful contribution net off any government levies and administrative surcharge are credited. The role of takaful operator is of the management of the PTF. At the initial stage of the setup of the PTF, the takaful operator makes an initial donation to the PTF. The terms of the takaful contracts are in accordance with the generally accepted principles and norms of insurance business suitably modified with guidance by the Shariah Advisor of the Takaful operator.

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

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

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

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

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

All other takaful contracts like cash in hand, cash in transit, personal accident, infidelity, public liabilities, health, crop, livestock, travel, bankers and other financial institutions packages, product liabilities, professional indemnity, workers compensation etc. are included under miscellaneous takaful cover.

4.3 Contribution

Contribution income net off administrative surcharge under a policy is recognised over the period of takaful from the date of inception of the policy to which it relates to its expiry as follows:

Administrative surcharge is recognised as income at the time policies are written in Operator's fund.

Contribution income net off administrative surcharge under a policy is recognised after taking into account the unearned portion of premium by applying 1/24th method as prescribed by the SECP (Insurance) Rules, 2002. The unearned portion of contribution is recognised as liability.

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

4.4 Re-takaful contracts

Re-takaful expense is recognised evenly in the period of indemnity. The portion of retakaful contribution not recognised as an expense is shown as a prepayment which is calculated in the same manner as of unearned contribution.

Rebate from retakaful operators is recognised at the time of issuance of the underlying takaful policy by the Operator. This income is deferred and brought to account as revenue in accordance with the pattern of recognition of the retakaful contribution to which it relates. Receivable against claims from the retakaful operators are recognised as an asset at the same time as the claims which gives rise to the right of recovery are recognised as a liability and are measured at the amount expected to be recovered after considering an impairment in relation thereto.

Amount due from other takaful / re-takaful operators are carried at cost less provision for impairment, if any. Cost represents the fair value of consideration to be received in the future.

Amount due to takaful / re-takaful operators represent the balance due to re-takaful operators.

Re-takaful assets or liabilities are derecognised when the contractual rights are extinguished or expired.

4.5 Claims expense

Takaful claims include all claims incurred during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, and any adjustments to claims outstanding from previous years.

The PTF recognises liability in respect of all claims incurred upto the balance sheet date which is measured at the undiscounted value of the expected future payments. The claims are considered to be incurred at the time of the incident giving rise to the claim except as otherwise expressly indicated in a takaful contract.

The provision for claims incurred but not reported (IBNR) is made at the balance sheet date. In accordance with SECP circular no. 9 of 2016, the Operator takes actuarial advice for the determination of IBNR claims. Provision for IBNR claims is estimated using Chain Ladder (CL) methodology. The CL Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

4.6 Retakaful recoveries against outstanding claims

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

4.7 Commission

Commission expense incurred in obtaining and recording policies is deferred and recognised in profit and loss account as an expense in accordance with the pattern of recognition of contribution revenue.

Commission income from retakaful is recognised at the time of issuance of the underlying takaful policy. These are deferred and recognised as liability and recognised in the profit and loss account as revenue in accordance with the pattern of recognition of the retakaful contributions.

4.8 Contribution deficiency reserve

The PTF is required as per SEC (Insurance) Rules, 2002 and IFRS-4, to maintain a provision in respect of contribution deficiency for the class of business where the unearned contribution reserve is not adequate to meet the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, commissions and other underwriting expenses, expected to be incurred after the balance sheet date in respect of the unexpired policies in that class of business at the balance sheet date. The movement in the contribution deficiency reserve is recorded as an income/expense in the profit and loss account and the same shall be recognised as a liability.

For this purpose, loss ratios for each class are estimated based on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, contribution deficiency is determined. Further actuarial valuation has been carried out to determine the amount of contribution deficiency reserve in respect of Health insurance as required by SRO 16 (I) / 2012 issued by Securities and Exchange Commission of Pakistan on January 09, 2012.

4.9 Wakala and Mudarib fees

The Takaful operator manages the general takaful operations for the Participants. During the year, wakala fee has been charged at 45% of the gross contribution on all classes of business except health business i-e 10% . Wakala fee under a policy is recognised, evenly over the period of takaful from the date of issuance of the policy.

The Takaful operator also manages the participants' investment as Mudarib and charges 30% of the investment/ deposit income earned by the Participants' Takaful Fund as Mudarib's share .

Administrative surcharge is included in Wakala Fee at the date of inception of policy to which it relates.

4.10 Revenue recognition

4.10.1 Contribution

The revenue recognition policy for contributions is given under note 4.3.

4.10.2 Commission from retakaful operators

The revenue recognition policy for commission from retakaful is given under note 4.7.

4.10.3 Dividend income

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

4.10.4 Gain/ loss on sale/ redemption of investments

Gain/ loss on sale/ redemption of investments is taken to profit and loss account in the year of sale/ redemption.

4.10.5 Income on investment classified as 'At amortized cost'

Income classified as 'At amortised cost' is recognised on a time proportionate basis taking account the effective yield on the investment.

4.10.6 Profit on bank accounts and deposits

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

4.11 Management expenses

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

4.12 Takaful surplus

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

4.13 Qard-e-Hasana

Qard-e-hasana is provided by Operator's Fund to Participants Takaful Fund in case of deficit in PTF. Qard-e-Hasana is recognised at the amount provided to Participant Takaful Fund less impairment, if any.

4.14 Provisions

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current estimate.

4.15 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, stamps in hand and deposits with banks (except for the deposit placed with statutory requirement) net off short term running finance, and short term maturity of three months or less from the date of reporting.

4.16 Prepayments

Prepayments are recorded as an assets. They are to be amortized as and when due over the period.

4.17 Financial instruments

Initial recognition and measurement

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

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

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

Financial assets

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

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

Financial assets classified 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding. The Company includes in this category short-term non-financing receivables, accrued income and other receivables.

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

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

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

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

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

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured 'at fair value through profit or loss'. The Company includes in this category short-term payables, including accrued and other liabilities.

Financial liabilities measured at fair value through profit and loss

Currently the Company does not have any financial liability measured at fair value.

Derecognition

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

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

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

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

Impairment of financial assets

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

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

Offsetting of financial assets and financial liabilities

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

4.18 Impairment

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

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

4.19 Taxation

4.19.1 Current

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

4.19.2 Deferred

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

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

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

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

4.20 Right of use asset

At the inception of the contract, the Operator assesses whether a contract is, or contains, a lease. The Operator applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Operator recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of lease term. or useful life of the asset.

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

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

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

4.21 Staff retirement benefits

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

4.22 Foreign currency translations

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

4.23 Operating segments

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

The Operator has five primary business segments for reporting purposes namely, Fire and Property, Marine, Health,Motor and Miscellaneous. The nature and business activities of these segments are disclosed in note no. 4.2.

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

4.24 Contingencies

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

Contingencies are reviewed at each balance sheet date and adjusted to reflect the current estimate.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Operator's accounting polices. The estimates/ judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- Retakaful recoveries against outstanding claims (note 4.6)
- Provision against contribution due but unpaid - (note 4.3)
- Provision for outstanding claims including IBNR (note 4.5)
- Contribution deficiency reserve (note 4.8)
- Provision for current and deferred tax (note 4.1)
- Classification of investments and impairment (note 4.17)
- Provision for impairment (note 4.18)
- Contingencies (note 4.24)

	Note	2025	2024
6 EQUIPMENT - PTF		-------- (Rupees)	--------
Right of use assets	6.1	**46,215,001**	30,645,763

2025

		Cost					Accumulated Depreciation				Written Down Value	Depreciation Rate %
		As at January 1, 2025	Additions	Disposals	Due to modification	As at December 31, 2025	As at January 1, 2025	Charge for the Year	Disposals	As at December 31, 2025	As at December 31, 2025	
6.1	**Right of use assets - PTF**	(Rupees)										
	Tracking devices	85,931,494	58,482,660	(22,156,833)	2,519,200	124,776,521	55,285,731	34,354,206	(11,078,417)	78,561,520	46,215,001	50

2024

	Cost					Accumulated Depreciation				Written Down Value	Depreciation Rate %
	As at January 1, 2024	Additions	Disposals	Due to modification	As at December 31, 2024	As at January 1, 2024	Charge for the Year	Disposals	As at December 31, 2024	As at December 31, 2024	
	(Rupees)										
Tracking devices	64,081,877	34,848,550	(12,998,933)	-	85,931,494	39,095,110	29,189,554	(12,998,933)	55,285,731	30,645,763	50

		2025			2024		
		Cost	Unrealized Gain	Carrying Value	Cost	Unrealized Gain	Carrying Value
7	**MUTUAL FUNDS - PTF**	(Rupees)			(Rupees)		
	-Classified as 'At fair value through profit or loss'						
	AKD Islamic Income Fund	-	-	-	48,084,336	30,847,301	78,931,637
		-	-	-	48,084,336	30,847,301	78,931,637

		Note	2025	2024
8	**TERM DEPOSITS - PTF**		(Rupees)	
	Classified as 'At amortized cost'			
	Deposits maturing within 12 months	8.1	**791,324,264**	762,592,463

8.1 These carry profit rate of 7.00% to 9.75% per annum (2024: 9.50% to 15.00% per annum).

		2025	2024
9	**TAKAFUL / RETAKAFUL RECEIVABLES - PTF**	(Rupees)	
	Due from takaful contract holders		
	Considered good	**545,387,475**	374,644,593
	Considered doubtful	**35,781,914**	37,626,766
	Less: Provision for impairment of receivables from takaful contract holders	**(35,781,914)**	(37,626,766)
		-	-
		545,387,475	374,644,593
	Due from other takaful operators		
	Considered good	**84,052,671**	51,644,915
	Considered doubtful	**-**	-
	Less: Provision for impairment of receivables from takaful contract holders	**-**	-
		84,052,671	51,644,915
		629,440,146	426,289,508

		Note	2025	2024
10	**RECEIVABLE / PAYABLE BETWEEN OF & PTF**		-------- (Rupees) --------	
	Wakala fee		**20,114,678**	109,456,983
	Mudarib fee		**10,469,611**	22,910,763
	Taxes and duties		**9,017,144**	25,891,298
			39,601,433	158,259,044

		Note	2025	2024
11	**DEFERRED TAXATION - NET - PTF**			
	Deferred debits arising in respect of			
	Provision for doubtful debts		**10,376,755**	10,911,762
	Deferred credits arising in respect of			
	Unrealised gain on investments classified at fair value through profit or loss		**-**	(12,300,379)
	Right of use assets		**(5,003,005)**	(3,218,391)
		11.1	**5,373,750**	(4,607,008)
11.1	**Reconciliation of deferred tax**			
	Opening balance		**(4,607,008)**	3,402,079
	Charge/ (reversal) for the year		**9,980,758**	(8,009,087)
	Closing balance		**5,373,750**	(4,607,008)

		2025	2024
12	**PREPAYMENTS - PTF**		
	Prepaid		
	- Annual monitoring and other charges	**7,397,820**	6,748,717
	- Retakaful contribution ceded	**80,432,338**	98,783,539
		87,830,158	105,532,256

		Note	Operator's Fund 2025	Operator's Fund 2024	Participants' Takaful Fund 2025	Participants' Takaful Fund 2024
13	**BANK BALANCES**		-------- (Rupees) --------		-------- (Rupees) --------	
	Cash and cash equivalent					
	Policy, takaful stamps, bond papers etc		**-**	-	**509,212**	196,080
	Cash at bank					
	Profit and loss sharing accounts	13.1	**5,772,463**	3,418,260	**42,029,487**	20,357,086
			5,772,463	3,418,260	**42,538,699**	20,553,166

13.1 These accounts carry mark-up at raging between 6.50% to 7.0% (2024: 9.0% to 12.0%) per annum.

13.2 Cash and cash equivalents for the purpose of statement of cash flows

	Operator's Fund		Participants' Takaful Fund	
	2025	2024	2025	2024
	-------- (Rupees) --------		-------- (Rupees) --------	
Bank balances	**5,772,463**	3,418,260	**42,538,699**	20,553,166
Term deposit receipts	**-**	-	**791,324,264**	762,592,463
	5,772,463	3,418,260	**833,862,963**	783,145,629

14 QARD-E-HASANA

	2025
	--- (Rupees) ---
Balance as at the beginning of the year	**173,900,000**
Balance as at the end of the year	**173,900,000**

14.1 In accordance with the Takaful Rules, 2012, if at any point in time, assets in participant takaful fund are not sufficient to cover its liabilities, the deficit shall be funded by way of an interest free loan (Qard-e-Hasana) from Operator Fund. In the event of future surplus in the Participant Takaful Fund to which a Qard-e-Hasana has been made, the Qard-e-Hasana shall be repaid prior to distribution of surplus to participants.

15 TAKAFUL/ RETAKAFUL PAYABLE - PTF

	2025	2024
	-------- (Rupees) --------	
Amount due to other takaful/ retakaful operator	**143,963,125**	83,407,275

16 OTHER CREDITORS AND ACCRUALS

	Note	Operator's Fund		Participants' Takaful Fund	
		2025	2024	2025	2024
		-------- (Rupees) --------		-------- (Rupees) --------	
Creditors		**1,530,834**	329,767	**-**	-
Federal insurance fee		**-**	-	**3,992,043**	2,583,181
Federal Excise Duty (FED) - net		**6,814,411**	17,299,520	**30,916,351**	9,759,064
Commission payable		**42,188,929**	14,504,408	**-**	-
Lease obligation against right-of-use assets		**-**	-	**28,948,947**	19,535,064
Withholding tax payable		**13,295,434**	7,230,442	**9,816,637**	6,956,565
Deposits from customers		**-**	-	**4,302,738**	4,506,063
Others	16.1 & 16.2	**6,815,614**	2,763,105	**48,159,892**	12,210,407
		70,645,222	42,127,242	**126,136,608**	55,550,344

16.1 This includes Rs. 1.34 million (2024: Rs. 1.34 million) and Rs. 10.53 million (2024: Rs. 11.54 million) in respect of time barred cheques under OF and PTF respectively.

16.2 This includes outstanding claims in respect of which cheques aggregating to Rs. 74.42 million (2024: 46.22 million) have been issued by the Operator for claim settlement but the same have not been encashed by the claimant.

16.3 The following is the ageing as required by SECP circular 11 of 2014 dated May 19, 2014:

	2025	2024
	(Rupees)	
More than 6 months	**39,616,936**	18,639,664
1 to 6 months (included in provision for outstanding claims)	**71,663,805**	27,582,382
	111,280,741	46,222,046

Claims not encashed	AGE-WISE BREAKUP 1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	TOTAL
2025	**71,663,805**	**8,054,647**	**8,594,019**	**22,968,270**	**111,280,741**
2024	27,582,382	6,067,517	4,948,704	7,623,443	46,222,046

17 PAYABLE TO TPL INSURANCE LIMITED

This represents payable in respect of funds provided by TPL Insurance limited to meet expenses and to provide Qard-e-Hasna to Participants' Takaful Fund.

18 NET TAKAFUL CONTRIBUTION - PTF

	2025	2024
	(Rupees)	
Written Gross contribution	**3,373,356,833**	2,524,793,789
Less: Wakala fee	**(1,508,237,846)**	(1,103,254,110)
Contribution net of wakala fee	**1,865,118,986**	1,421,539,679
Add: Unearned contribution reserve opening net of deferred wakala fee	**707,521,133**	558,583,472
Less: Unearned contribution reserve closing net of deferred wakala fee	**(912,413,535)**	(707,521,132)
Contribution earned carried forward	**1,660,226,584**	1,272,602,019
Contribution earned brought forward	**1,660,226,584**	1,272,602,019
Retakaful contribution ceded	**250,902,662**	254,913,845
Add: Prepaid retakaful contribution opening	**98,783,539**	66,053,049
Less: Prepaid retakaful contribution closing	**(80,432,338)**	(98,783,539)
Retakaful expense	**269,253,863**	222,183,355
Net takaful contribution	**1,390,972,721**	1,050,418,664

19 NET TAKAFUL CLAIMS EXPENSE - PTF

	2025	2024
Claims paid or payable	**1,942,809,349**	1,349,107,025
Add: Outstanding claims including IBNR closing	**772,098,400**	503,473,738
Less: Outstanding claims including IBNR opening	**(503,473,738)**	(357,999,976)
Claims expense	**2,211,434,011**	1,494,580,787
Retakaful and other recoveries received	**494,829,897**	354,838,412
Add: Retakaful and other recoveries in respect of outstanding claims net of impairment - closing	**672,291,958**	347,493,120
Less: Retakaful and other recoveries in respect of outstanding claims net of impairment - opening	**(347,493,119)**	(227,222,385)
Retakaful and other recoveries revenue	**819,628,736**	475,109,147
Net takaful claims expense	**1,391,805,275**	1,019,471,640

20 CLAIM DEVELOPMENT TABLE

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

Accident year	2018	2019	2020	2021	2022	2023	2024	2025	Total
	(Rupees)								
Estimate of ultimate claims cost:									
At end of accident year	613,435,787	615,034,813	699,971,869	998,504,003	926,736,143	1,203,954,974	1,609,619,420	2,232,181,516	
One year later	618,233,766	650,180,499	686,466,349	948,486,417	1,050,799,244	1,289,931,587	1,925,880,311	-	
Two years later	622,872,513	651,899,027	687,507,733	1,001,042,440	1,062,792,590	1,295,994,857	-	-	
Three years later	618,034,536	655,187,703	688,385,992	1,001,568,914	1,069,924,946	-	-	-	
Four years later	618,299,461	665,244,563	689,194,552	1,001,888,604	-	-	-	-	
Five years later	620,356,681	672,794,563	689,834,052	-	-	-	-	-	
Six years later	620,381,997	672,839,410	-	-	-	-	-	-	
Seven years later	620,581,997	-	-	-	-	-	-	-	
Estimate of cumulative claims	620,581,997	672,839,410	689,834,052	1,001,888,604	1,069,924,946	1,295,994,857	1,925,880,311	2,232,181,516	**9,509,125,692**
Cumulative payments to date	(620,581,997)	(672,839,410)	(689,204,052)	(1,001,848,604)	(1,067,615,716)	(1,293,186,364)	(1,848,628,391)	(1,543,122,759)	**(8,737,027,292)**
Liability for outstanding claims	-	-	630,000	40,000	2,309,230	2,808,493	77,251,920	689,058,757	**772,098,400**

21 NET COMMISSION EXPENSE - OF

	2025	2024
	(Rupees)	
Commissions paid or payable	**343,940,570**	357,895,430
Add: Deferred commission - opening	**173,512,076**	137,737,517
Less: Deferred commission - closing	**(155,703,425)**	(173,512,076)
Commission expense	**361,749,221**	322,120,871
Less: Commission from retakaful		
Commission received or receivable	**62,049,223**	54,806,500
Add: Unearned commission - opening	**25,803,134**	16,726,058
Less: Unearned commission - closing	**(26,832,236)**	(25,803,134)
	61,020,121	45,729,424
Net commission expense	**300,729,100**	276,391,447

22 WAKALA FEE

The Operator manages the general takaful operations of the participants and charges Wakala fee for its services. wakala fee is charged at 45% for all classes of business except for health for which 10% wakala fee is charged.

		Note	2025	2024
23	**OTHER DIRECT EXPENSES - PTF**		-------- (Rupees)	--------
	Tracker monitoring fee		**16,010,923**	22,145,068
	Depreciation on right of use asset	6.1	**34,354,206**	29,189,554
	Annual supervision fee SECP		**3,056,580**	2,885,772
	Bad and doubtful debts		**-**	5,000,000
			53,421,709	59,220,394

		Note	2025	2024
24	**MANAGEMENT EXPENSES - OF**			
	Employee benefit costs	24.1	**487,945,195**	406,769,733
	Travelling and conveyance		**19,747,947**	10,238,058
	Business partner engagement expenses		**121,452,240**	67,378,369
	Advertisement and marketing		**79,391,540**	57,991,278
	Printing and stationary		**5,053,177**	3,832,280
	Rent, rates and taxes		**6,094,766**	7,504,399
	Outsourcing expenses		**68,647,673**	51,073,799
	Communication		**10,010,131**	7,530,801
	Utilities		**10,712,579**	8,996,463
	Vehicle running expenses		**29,765,963**	20,528,334
	Repair and maintenance		**18,427,021**	15,630,111
	Depreciation - Operating assets		**39,967,352**	29,891,346
	Depreciation - Right of use assets		**29,310,821**	19,366,961
	Amortization expense		**2,864,672**	2,475,030
	Insurance		**18,270,806**	13,780,570
	Others		**5,118**	177,886
			947,667,001	723,165,418

24.1 This includes Rs. 435.722 million being salaries and wages (2024: Rs. 366.341 million) and Rs. 20.238 million (2024: Rs. 15.093 million) being contribution to employees' provident fund.

		Note	2025	2024
25	**OTHER EXPENSES - OF**		-------- (Rupees)	--------
	Employee benefit costs		**120,082,139**	90,761,349
	Legal and professional charges		**24,976,641**	32,689,485
	Auditors' remuneration		**1,191,340**	981,353
	Registration, subscription and association		**7,848,152**	8,405,625
	Donations	25.1	**7,334,766**	11,949,240
	Communication		**1,924,313**	2,785,161
	IT related cost		**35,446,912**	26,663,714
	Utilities		**3,327,246**	2,329,034
	Lease rentals		**2,268,726**	2,236,389
	Others		**7,810,868**	5,733,014
			212,211,103	184,534,364

25.1 These include donations made by the Company to the Patient Aid Foundation, Family Education Services Foundation amounting to Rs. 5 million, Rs. 1.4 million respectively. None of the directors, sponsor shareholders, key management personnel and their spouses had any interest in the donee, except for Mr. Ali Jameel who is on the Board of Governors of Patient Aid Foundation.

26 INVESTMENT & OTHER INCOME - PTF

	2025	2024
	-------- (Rupees) --------	
Dividend income	-	4,176,320
Return on savings account	**15,412,360**	32,090,490
Other income	**4,314,451**	-
Return on Term Deposits	**68,774,922**	88,486,813
	88,501,733	124,753,623
Net realized gains on investments - Fair value through Profit or Loss		
Realized gains on disposal of mutual funds	**3,361,089**	-
Net realized gains on investments - Fair value through Profit or Loss		
Realized gains on disposal of mutual funds	-	26,670,981
	91,862,822	151,424,604

27 MODARIB'S SHARE OF INVESTMENT INCOME

The Operator manages the Participants' investments as a Modarib and charges 30% Modarib's share of investment income earned by PTF.

28 MODARIB'S SHARE OF INVESTMENT INCOME

	Note	2025	2024
		-------- (Rupees) --------	
Minimum tax differential	28.1	-	2,973,546

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

29 TAXATION - PTF

	2025	2024
	-------- (Rupees) --------	
For the year		
Current tax expense	**19,042,852**	10,748,315
Deferred tax (income)/ expense	**(9,980,318)**	8,009,087
	9,062,534	18,757,402

29.1 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2025	2024
	-------- (Rupees) --------	
Income tax under IAS 12	**19,042,852**	10,748,315
Income tax levy under IFRIC 21/IAS 37	**-**	2,973,546
Current tax liability as per Income Tax Ordinance	**19,042,852**	13,721,861

29.2 Numerical reconciliation between the applicable tax rate and average effective tax rate is as follows:

	2025	2024
	-------- (Rupees) --------	
Applicable tax rate	**29%**	29%
Others	**-**	24%
Average effective tax rate	**29%**	53%

29.3 The tax rate applicable on the Company for tax year 2025 is 29% (2024: 29%) subject to minimum tax @ 1.25% of turnover.

30 TRANSACTIONS WITH RELATED PARTIES - TPF

	2025	2024
	-------- (Rupees) --------	
TPL Insurance Limited - Conventional		
Opening balance - payable	**5,423,403**	2,983,070
Rental and other services charges	**50,600,843**	47,138,872
Payments made by PTF - net	**(47,709,621)**	(44,698,539)
Closing balance - payable	**8,314,625**	5,423,403
Operator's Fund		
Opening balance - payable (including Qard Hasana)	**332,159,044**	211,332,096
Wakala fee charged during the year	**1,508,237,845**	1,103,254,109
Modarib fee charged during the year	**27,558,847**	45,427,381
Taxes and other movement	**9,017,144**	25,145,457
Payments made during the year	**(1,663,471,448)**	(1,052,999,999)
Closing balance - payable	**213,501,432**	332,159,044

31 SEGMENT INFORMATION

31.1 Participants' Takaful Fund

	FOR THE YEAR ENDED DECEMBER 31, 2025					
	Fire and property damage	Marine	Motor	Health	Miscellaneous	Aggregate
	(Rupees)					
Contribution receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	145,504,749	88,178,012	3,417,960,434	172,575,846	81,187,477	3,905,406,518
Less: Federal excise duty	(19,663,924)	(8,494,805)	(452,311,260)	(7,014,948)	(10,959,213)	(498,444,150)
Less: Federal insurance fee	(1,143,395)	(788,826)	(29,325,909)	(1,654,079)	(693,324)	(33,605,533)
Gross written contribution (inclusive of administrative surcharge)	124,697,430	78,894,381	2,936,323,265	163,906,819	69,534,940	3,373,356,833
Gross direct contribution	123,827,739	76,977,682	2,854,658,507	163,518,612	67,472,750	3,286,455,290
Facultative inward premium	-	-	612,842	-	-	612,842
Administrative surcharge	869,690	2,057,353	80,911,262	388,206	2,062,190	86,288,701
Wakala fees during the year	(56,592,173)	(36,697,310)	(1,365,783,369)	(16,740,067)	(32,424,927)	(1,508,237,846)
Takaful contribution earned net of wakala fee expense	77,984,519	43,061,700	1,329,918,331	174,786,835	34,475,199	1,660,226,584
Takaful contribution ceded to retakaful operators	(121,796,816)	(60,904,756)	(50,686,351)	-	(35,865,940)	(269,253,863)
Net takaful contribution	(43,812,297)	(17,843,056)	1,279,231,980	174,786,835	(1,390,741)	1,390,972,721
Takaful claims	(37,787,846)	(22,188,944)	(1,891,312,554)	(192,937,848)	(67,206,819)	(2,211,434,011)
Retakaful claims and other recoveries	28,419,896	17,776,724	733,059,536	505,559	39,867,020	819,628,736
Net claims during the year	(9,367,950)	(4,412,220)	(1,158,253,018)	(192,432,289)	(27,339,799)	(1,391,805,275)
Contribution deficiency reserve	-	-	-	8,972,994	-	8,972,994
Other direct expenses	-	-	(53,421,709)	-	-	(53,421,709)
Surplus/ (deficit) before investment income	(53,180,247)	(22,255,276)	67,557,253	(8,672,460)	(28,730,540)	(45,281,269)
Net investment and other income						91,862,822
Less: Modarib's share of investment income						(27,558,847)
Taxation and minimum tax differential						(9,062,534)
Surplus transferred to balance of PTF						9,960,172
Corporate segment assets	210,726,316	99,401,104	1,534,071,955	71,806,167	76,494,122	1,992,499,664
Corporate unallocated assets						1,043,645,873
Total assets						3,036,145,537
Corporate segment liabilities	142,409,137	67,108,660	2,080,222,039	99,279,800	91,843,162	2,480,862,798
Corporate unallocated liabilities						363,688,278
Total liabilities						2,844,551,076

		For the year ended December 31, 2025					
		Fire and property damage	Marine	Motor	Health	Miscellaneous	Aggregate
32.2	**Operator's Fund**	----------------	----------------	---------------- (Rupees)	----------------	----------------	----------------
	Wakala fee	64,654,727	37,344,816	1,156,552,185	19,759,542	29,670,155	1,307,981,426
	Net commission expense	7,779,475	2,278,657	(297,085,741)	(16,441,841)	2,740,349	(300,729,100)
	Management expenses	(7,294,023)	(6,824,842)	(852,427,765)	(71,223,701)	(9,896,670)	(947,667,001)
		65,140,179	32,798,631	7,038,679	(67,906,000)	22,513,834	59,585,325
	Investment income						-
	Modarib's share of PTF investment income						27,558,847
	Other expenses						(212,211,103)
	Loss before taxation						(125,066,931)
	Taxation						-
	Loss after taxation						(125,066,931)
	Corporate segment assets	9,394,118	1,363,514	131,841,071	5,589,180	7,515,542	155,703,425
	Corporate unallocated assets						50,568,795
	Total assets						206,272,220
	Corporate segment liabilities	30,510,724	3,616,324	695,917,639	6,200,253	14,507,711	750,752,651
	Corporate unallocated liabilities						629,710,760
	Total liabilities						1,380,463,411

32 SEGMENT INFORMATION (CONTINUED)

32.1 Participants' Takaful Fund

	FOR THE YEAR ENDED DECEMBER 31, 2024					
	Fire and property damage	Marine	Motor	Health	Miscellaneous	Aggregate
	------ (Rupees) ------					
Contribution receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	171,525,034	78,270,779	2,404,596,326	195,666,230	50,321,778	2,900,380,147
Less: Federal excise duty	(21,585,310)	(7,411,026)	(309,426,607)	(6,019,781)	(6,166,548)	(350,609,272)
Less: Federal insurance fee	(1,252,423)	(702,780)	(20,705,555)	(1,878,219)	(438,109)	(24,977,086)
Gross written contribution (inclusive of administrative surcharge)	148,687,301	70,156,973	2,074,464,164	187,768,231	43,717,120	2,524,793,789
Gross direct contribution	147,264,234	68,465,993	2,016,087,958	187,532,123	42,441,828	2,461,792,136
Facultative inward premium	637,377	-	2,849,461	-	-	3,486,838
Administrative surcharge	785,690	1,690,980	55,526,745	236,108	1,275,292	59,514,815
Wakala fees during the year	(67,341,415)	(32,500,677)	(964,048,584)	(18,989,320)	(20,374,115)	(1,103,254,111)
Takaful contribution earned net of wakala fee expense	63,614,063	33,887,601	990,682,945	168,888,573	15,528,837	1,272,602,019
Takaful contribution ceded to retakaful operators	(103,097,345)	(48,666,892)	(50,866,516)	-	(19,552,602)	(222,183,355)
Net takaful contribution	(39,483,282)	(14,779,291)	939,816,429	168,888,573	(4,023,765)	1,050,418,664
Takaful claims	(102,077,556)	(56,058,309)	(1,131,177,217)	(190,211,027)	(15,056,678)	(1,494,580,787)
Retakaful claims and other recoveries	95,320,375	50,969,394	322,052,932	2,389,415	4,377,031	475,109,147
Net claims during the year	(6,757,181)	(5,088,915)	(809,124,285)	(187,821,612)	(10,679,647)	(1,019,471,640)
Contribution deficiency reserve	-	-	-	(5,674,679)	-	(5,674,679)
Other direct expenses	-	-	(59,220,394)	-	-	(59,220,394)
Surplus/(deficit) before investment income	(46,240,463)	(19,868,206)	71,471,750	(24,607,718)	(14,703,412)	(33,948,049)
Net investment and other income						151,424,604
Less: Modarib's share of investment income						(45,427,381)
Taxation and minimum tax differential						(21,730,948)
Surplus transferred to balance of PTF						50,318,226
Corporate segment assets	262,587,696	98,598,184	1,009,701,227	74,392,016	37,208,637	1,482,487,760
Corporate unallocated assets						848,222,152
Total assets						2,330,709,912
Corporate segment liabilities	184,512,412	65,648,530	1,395,550,771	132,250,039	39,903,133	1,817,864,885
Corporate unallocated liabilities						331,210,738
Total liabilities						2,149,075,623

		For the year ended December 31, 2024					
		Fire and property damage	Marine	Motor	Health	Miscellaneous	Aggregate
32.2	**Operator's Fund**	----------	----------	---------- (Rupees)	----------	----------	----------
	Wakala fee	52,768,566	29,189,419	861,701,122	18,941,940	13,796,506	976,397,552
	Net commission expense	5,612,742	2,120,919	(272,545,499)	(14,451,838)	2,872,229	(276,391,447)
	Management expenses	(4,753,481)	(5,155,951)	(644,583,850)	(65,175,446)	(3,496,690)	(723,165,418)
		53,627,827	26,154,387	(55,428,227)	(60,685,344)	13,172,044	(23,159,313)
	Investment income						2,166
	Modarib's share of PTF investment income						45,427,381
	Other expenses						(184,534,364)
	Loss before taxation						(162,264,130)
	Taxation						-
	Loss after taxation						(162,264,130)
	Corporate segment assets	12,191,483	1,605,654	147,293,112	7,515,343	4,906,484	173,512,076
	Corporate unallocated assets						165,221,381
	Total assets						338,733,457
	Corporate segment liabilities	38,573,279	4,263,830	486,686,455	9,219,728	11,752,939	550,496,231
	Corporate unallocated liabilities						837,361,486
	Total liabilities						1,387,857,717

33	**MOVEMENT IN INVESTMENTS**	At Amortized cost	At Fair value through other comprehensive income (FVTOCI)	At Fair value through profit and loss (FVTPL)	Total
	As at January 01, 2024	580,000,000	-	48,084,336	628,084,336
	Additions	332,592,463	-	-	332,592,463
	Disposals (sale and redemption)	(150,000,000)	-	-	(150,000,000)
	Fair value net gains (excluding net realized gains)	-	-	30,847,301	30,847,301
	As at December 31, 2024	**762,592,463**	**-**	**78,931,637**	**841,524,100**
	Additions	**28,731,801**	**-**	**-**	**28,731,801**
	Disposals (sale and redemption)	**-**	**-**	**(78,931,637)**	**(78,931,637)**
	As at December 31, 2025	**791,324,264**	**-**	**-**	**791,324,264**

34 MANAGEMENT OF TAKAFUL AND FINANCIAL RISK

The Operator issue contracts that transfer takaful risk or financial risk or both. This section summarises the takaful risks and the way the Operator manages them.

34.1 Takaful risk management

34.1.1 Takaful risk

The risk under any takaful contract is the possibility that the insured event occurs and the uncertainty of the amount of compensation to the participant. Generally most takaful contracts carry the takaful risk for a period of one year.

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

The Operator's risk exposure is mitigated by employing a comprehensive framework to identify, assess, manage and monitor risk. This framework includes implementation of underwriting strategies which aim to ensure that the underwritten risks are well diversified in terms of type and amount of the risk. Adequate retakaful is arranged to mitigate the effect of the potential loss to the PTF from individual to large or catastrophic insured events. Further, the Operator adopts strict claim review policies including active management and prompt pursuing of the claims and regular detailed review of claim handling procedures and frequent investigation of possible false claims to reduce the takaful risk.

34.1.2 Frequency and severity of claims

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

The retakaful arrangements against major risk exposure include excess of loss, quota share, surplus arrangements and catastrophic coverage. The objective of having such arrangements is to mitigate adverse impacts of severe losses on PTF's net retentions.

34.1.3 Uncertainty in the estimation of future claim payments

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

An estimated amount of the claim is recorded immediately on the intimation to the Company. The estimation of the amount is based on management judgement or preliminary assessment by the independence surveyor appointed for the purpose. The initial estimates include expected settlement cost of the claims. Provision for IBNR claims is determined based on actuary advice and is estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

There are several variable factors which affect the amount and timing of recognised claim liabilities. The Company takes all reasonable measures to mitigate the factors affecting the amount and timing of claim settlements. However, uncertainty prevails with estimated claim liabilities and it is likely that final settlement of these liabilities may be different from initial recognised amount. Outstanding claims are reviewed on a periodic basis.

34.1.4 Key assumptions

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

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

The management uses qualitative judgement to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgement includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc.

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

The details of estimation of outstanding claims (including IBNR) are given under note 4.5.

34.1.5 Sensitivity analysis

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

The claim liabilities are sensitive to the incidence of covered events and severity/ size of claims. As the Operator enters into short term takaful contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, some results of sensitivity testing are set out below, showing the impact on profit before tax net of retakaful. The impact of 10 % increase / decrease in incidence of covered events on gross claim liabilities, underwriting results, net claim liabilities, profit before tax and fund balance is as follows:

	PTF			
	Underwriting results		Fund balance	
	2025	2024	2025	2024
Average claim cost	(Rupees)		(Rupees)	
Fire and property damage	**936,795**	675,718	**665,124**	479,760
Marine	**441,222**	508,892	**313,268**	361,313
Motor business	**115,825,302**	80,912,429	**82,235,964**	57,447,825
Health	**19,243,229**	18,782,161	**13,662,693**	13,335,334
Miscellaneous	**2,733,980**	1,067,964	**1,941,126**	758,254
	139,180,528	101,947,164	**98,818,175**	72,382,486

34.1.6 Concentration of risk

To optimise benefits from the principle of average and law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risk with reference to the geographical location, the most important of which is risk survey.

Risk surveys are carried out on a regular basis for the evaluation of physical hazards associated with the insured property.

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

Retakaful ceded does not relieve the Operator from its obligation towards participants and, as a result the Operator remains liable for the portion of outstanding claims retakaful to the extent that retakaful operator fails to meet the obligation under the retakaful agreements.

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

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

	Gross sum insured		Reinsurance		Net	
	2025	2024	2025	2024	2025	2024
	(Rupees)					
Fire & property damage	**4,153,829,739**	8,708,439,851	**4,123,829,739**	8,673,439,851	**30,000,000**	35,000,000
Marine, aviation & transport	**687,650,199**	525,109,199	**669,650,199**	509,355,923	**18,000,000**	15,753,276
Motor business	**150,000,000**	92,500,070	**113,745,000**	32,500,070	**36,255,000**	60,000,000
Health	**1,000,000**	1,800,000	**-**	-	**1,000,000**	1,800,000
Miscellaneous	**180,000,000**	100,000,000	**144,000,000**	80,000,000	**36,000,000**	20,000,000
	5,172,479,938	9,427,849,120	**5,051,224,938**	9,295,295,844	**121,255,000**	132,553,276

35 FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

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

35.1 Credit risk

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

35.1.1 Management of credit risk

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

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

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

- Cash is held with reputable banks only.

To reduce the credit risk the management continuously reviews and monitors the credit exposure towards the policyholders and other insurers/reinsurers and makes provision against those balances considered doubtful of recovery.

35.1.2 Exposure to credit risk

In summary, compared to the amount included in statement of assets and liabilities, the maximum exposure to credit risk as at December 31, 2025 is as follows:

	OF		PTF	
	Balance as per the financial statement	Maximum exposure	Balance as per the financial statement	Maximum exposure
2025	(Rupees)			
Term deposits	**-**	**-**	**791,324,264**	**791,324,264**
Takaful / retakaful receivable	**-**	**-**	**629,440,146**	**629,440,146**
Retakaful recoveries against outstanding claims	**-**	**-**	**333,252,585**	**333,252,585**
Salvage recoveries accrued	**-**	**-**	**339,039,373**	**339,039,373**
Bank balances	**5,772,463**	**5,772,463**	**42,029,487**	**42,029,487**
	5,772,463	**5,772,463**	**2,135,085,855**	**2,135,085,855**

	OF		PTF	
	Balance as per the financial statement	Maximum exposure	Balance as per the financial statement	Maximum exposure
2024	(Rupees)			
Term deposits	-	-	762,592,463	762,592,463
Takaful / retakaful receivable	-	-	426,289,508	426,289,508
Retakaful recoveries against outstanding claims	-	-	157,275,423	157,275,423
Salvage recoveries accrued	-	-	190,217,697	190,217,697
Bank balances	3,418,260	3,418,260	20,357,086	20,357,086
	3,418,260	3,418,260	1,556,732,177	1,556,732,177

35.1.3 Past due / impaired assets

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

	PTF	
	2025	2024
	-------- (Rupees) --------	
0-90 days	**468,342,063**	325,081,857
Over 90 days	**161,098,083**	101,207,651
Total	**629,440,146**	462,289,508

The above balance is considered good and is not impaired.

35.1.4 Credit Rating and Collateral

The credit quality of Operator's bank balances can be assessed with reference to external credit rating as follows:

		OF	
Rating Long term	Rating Agency	2025	2024
		-------- (Rupees) --------	
AAA & A-	JCR-VIS	**5,772,463**	3,418,260

		PTF	
Rating Long term	Rating Agency	2025	2024
		-------- (Rupees) --------	
A-, AA, AA+, & AAA	JCR-VIS	**764,157,115**	213,156,387
AAA, & AA-	PACRA	**69,196,636**	377,529,706
BBB-	JCR-VIS	**-**	192,263,457
		833,353,751	782,949,550

The Operator enters into re-takaful / co-takaful arrangements with re-takaful / other takaful operators having sound credit ratings accorded by reputed credit rating agencies. The Operator is required to comply with the requirements of circular no. 32 / 2009 dated October 27, 2009 issued by SECP which requires an insurance company to place at least 80% of their outward treaty cessions with reinsurers rated 'A' or above by Standard & Poors with the balance being placed with entities rated at least 'BBB' by reputable ratings agency. An analysis of re-takaful assets relating to outward treaty cessions recognised by the rating of the entity from which it is relates is as follows:

		PTF	
	Rating	2025	2024
		-------- (Rupees) --------	
Prepaid re-takaful ceded	A or above (including PRCL)	**80,432,338**	98,783,539

35.1.5 Concentration of credit risk

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in similar manner. The Operator manages concentration of credit risk through diversification of activities among individuals, groups and industry segments.

Sector-wise analysis of contribution due but unpaid at the reporting date was:

	PTF		PTF	
	2025		2024	
	(Rupees)	%	(Rupees)	%
Individuals	**84,509,795**	**13%**	86,359,538	20%
Corporate	**544,930,351**	**87%**	339,929,970	80%
	629,440,146	**100%**	426,289,508	100%

35.1.6 Settlement risk

The Operator's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

This risk is addressed more or less in accordance with the parameters set out in the credit risk management above.

35.2 Liquidity risk

Liquidity risk is the risk that the Operator will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Operator could be required to pay its liabilities earlier than expected or may face difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

35.2.1 Management of liquidity risk

The Operator's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Operator's reputation. Due to nature of the business, the Operator maintains flexibility in funding by maintaining committed credit lines available. The Operator's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfil its obligation; monitoring balance sheet liquidity ratios against internal and external requirements and maintaining debt financing plans.

35.2.2 Maturity analysis of assets and liabilities

The table below analyses the Operator's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to maturity date and represents the undiscounted cash flows. The amounts in the table are the gross nominal undiscounted cash flows (including profit payments).

	OF		
	2025		
	Carrying amount	Upto one year	More than one year
	---------------- (Rupees) ----------------		
ASSETS			
Receivable from Participants' Takaful Fund	39,601,433	39,601,433	-
Bank balances	5,772,463	5,772,463	-
Total assets	45,373,896	45,373,896	-
LIABILITIES			
Other creditors and accruals	70,645,222	70,645,222	-
Payable to TPL Insurance Limited	559,065,540	559,065,540	-
Total liabilities	629,710,763	629,710,763	-

OF

	2024		
	Carrying amount	Upto one year	More than one year
	---------------- (Rupees) ----------------		
ASSETS			
Receivable from Participants' Takaful Fund	158,259,044	158,259,044	-
Bank balances	3,418,260	3,418,260	-
Total assets	161,677,304	161,677,304	-
LIABILITIES			
Other creditors and accruals	42,127,242	42,127,242	-
Payable to TPL Insurance Limited	795,234,244	795,234,244	-
Total liabilities	837,361,486	837,361,486	-

PTF

	2025		
	Carrying amount	Upto one year	More than one year
	---------------- (Rupees) ----------------		
ASSETS			
Investments	-	-	-
Mutual funds	**791,324,264**	**791,324,264**	-
Term deposits	**10,378,910**	**10,378,910**	-
Accrued investment income	**87,830,158**	**87,830,158**	-
Prepayments	**42,538,699**	**42,538,699**	-
Bank balances			
Total assets	**932,072,031**	**932,072,031**	-
LIABILITIES			
Other creditors and accruals	**126,136,608**	**126,136,608**	-
Payable to TPL Insurance Limited	**8,314,625**	**8,314,625**	-
Payable to Operator's Fund	**39,601,433**	**39,601,433**	-
Total liabilities	**174,052,666**	**174,052,666**	-

PTF

	2024		
	Carrying amount	Upto one year	More than one year
	---------------- (Rupees) ----------------		
ASSETS			
Investments			
Mutual funds	78,931,637	78,931,637	-
Term deposits	762,592,463	762,592,463	-
Accrued investment income	8,175,768	8,175,768	-
Prepayments	105,532,256	105,532,256	-
Bank balances	20,553,166	20,553,166	-
Total assets	975,785,290	975,785,290	-
LIABILITIES			
Other creditors and accruals	55,550,343	55,550,343	-
Payable to TPL Insurance Limited	5,423,403	5,423,403	-
Payable to Operator's Fund	158,259,044	158,259,044	-
Total liabilities	219,232,790	219,232,790	-

35.3 Market risk

Market risk is the risk that changes in market prices, such as profit rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will effect the Operator's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Operator is exposed to profit rate risk, currency risk and other price risk.

35.3.1 Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. profit rate exposure arises from balances held in profit and loss sharing accounts with reputable banks and government securities. The Operator limits profit rate risk by monitoring changes in profit rates. Other risk management procedures are the same as those mentioned in the credit risk management.

35.3.1.1 Sensitivity analysis

At the balance sheet date the profit rate profile of the Operator's profit-bearing financial instrument are as follows:

	OF			
	2025	**2024**	**2025**	**2024**
Financial assets	Effective interest rate (in %)		-------- (Rupees) --------	
Assets subject to variable rate				
- Bank balances	**6.50% - 7.00%**	9.00% - 12.00%	**5,772,463**	3,418,260

	PTF			
	2025	**2024**	**2025**	**2024**
Financial assets	Effective interest rate (in %)		-------- (Rupees) --------	
Assets subject to fixed rate				
- Bank balances	**7.0% - 9.75%**	9.50% - 15.00%	**791,324,264**	762,592,463
Assets subject to variable rate				
- Bank balances	**6.50% - 7.00%**	9.00% - 12.00%	**42,029,487**	20,357,086

Fair value sensitivity analysis for fixed rate instruments

The Operator does not account for any fixed rate financial assets at fair value through profit and loss. Therefore, a change in profit rates at the reporting date would not affect profit and loss account and Fund of the Operator.

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

The Operator is exposed to cash flow profit rate risk in respect of its balances with profit and loss sharing account with banks. A hypothetical change of 100 basis points in profit rates at the reporting date would have decreased/ increased profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing profit rate risk. Variations in market profit rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

OF

	2025		2024	
	Profit and loss 100 bps		Profit and loss 100 bps	
	Increase	Decrease	Increase	Decrease
	---------- (Rupees) ----------		---------- (Rupees) ----------	
Cash flow sensitivity	**20,113**	**(20,113)**	34,183	(34,183)

PTF

	2025		2024	
	Profit and loss 100 bps		Profit and loss 100 bps	
	Increase	Decrease	Increase	Decrease
	---------- (Rupees) ----------		---------- (Rupees) ----------	
Cash flow sensitivity	**7,970,063**	**(7,970,063)**	7,831,456	(7,831,456)

35.3.1.2 Exposure to profit rate risk

A summary of the Operator's profit rate gap position, categorised by the earlier of contractual re-pricing or maturity date, is as follows:

OF

2025

	Mark-up / return (%)	less than 1 year	1 year to 5 years	More than 5 years	Total
		---------- (Rupees) ----------			
Assets					
Bank deposits	6.50% - 7.00%	5,772,463	-	-	5,772,463
Total assets		5,772,463	-	-	5,772,463
Total profit sensitivity gap		5,772,463	-	-	5,772,463

OF

2024

	Mark-up / return (%)	less than 1 year	1 year to 5 years	More than 5 years	Total
		---------- (Rupees) ----------			
Assets					
Bank deposits	9.00% - 12.00%	3,418,260	-	-	3,418,260
Total assets		3,418,260	-	-	3,418,260
Total profit sensitivity gap		3,418,260	-	-	3,418,260

PTF

	2025				
	Mark-up / return (%)	less than 1 year	1 year to 5 years	More than 5 years	Total
		---------------------- (Rupees) ----------------------			
Assets					
Term deposits	7.0% - 9.75%	791,324,264	-	-	791,324,264
Bank deposits	6.50% - 7.00%	42,538,699	-	-	42,538,699
Total assets		833,862,963	-	-	833,862,963
Total profit sensitivity gap		833,862,963	-	-	833,862,963

PTF

	2024				
	Mark-up / return (%)	less than 1 year	1 year to 5 years	More than 5 years	Total
		---------------------- (Rupees) ----------------------			
Assets					
Term deposits	9.50% - 15.00%	762,592,463	-	-	762,592,463
Bank deposits	9.00% - 12.00%	20,553,166	-	-	20,553,166
Total assets		783,145,629	-	-	783,145,629
Total profit sensitivity gap		783,145,629	-	-	783,145,629

35.3.2 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from profit/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. the Operator is not exposed to any price risk at the balance sheet date as it has no financial instrument that is linked to market price.

35.3.3 Foreign currency risk

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

35.4 Fund management

The Operator's objective when managing capital is to safe guard the Operator's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

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

36 STATEMENT OF SOLVENCY

	2025	2024
	-------- (Rupees) --------	
Equipment	46,215,001	30,645,763
Investments		
Mutual funds	-	78,931,637
Term deposits	791,324,264	762,592,463
Takaful / retakaful receivable	629,440,146	426,289,508
Retakaful recoveries against outstanding claims	333,252,585	157,275,423
Salvage recoveries accrued	339,039,373	190,217,697
Accrued investment income	10,378,910	8,175,768
Deferred wakala fee	750,752,651	550,496,231
Deferred taxation - net	5,373,750	-
Prepayments	87,830,158	105,532,256
Bank balances	42,538,699	20,553,166
Total assets (A) carried forward	3,036,145,537	2,330,709,912
Total assets (A) brought forward	3,036,145,537	2,330,709,912
Inadmissible Assets		
Property and equipment	16,601,123	30,645,763
Takaful / retakaful receivable	161,098,083	101,207,651
Deferred taxation	5,566,140	-
Total of In-admissible Assets (B)	183,265,346	131,853,414
Total of Admissible Assets (C=A-B)	2,852,880,191	2,198,856,498
Total Liabilities		
Outstanding claims including IBNR	772,098,400	503,473,738
Unearned premium reserves	1,663,166,186	1,258,017,364
Unearned retakaful commission	26,832,236	25,803,134
Contribution deficiency reserve	2,062,591	11,035,585
Contribution received in advance	1,439,210	1,604,918
Takaful/ re-takaful payables	143,963,125	83,407,275
Other creditors and accruals	126,136,608	55,550,343
Qard-e-Hasna	173,900,000	173,900,000
Payable to TPL Insurance Limited	8,314,625	5,423,403
Payable to Operator's Fund	39,601,433	158,259,044
Deferred taxation - net	-	4,607,008
Taxation less provision for payment	60,936,662	41,893,810
Total Liabilities including Qard-e-Hasna	3,018,451,076	2,322,975,622
Net deficit as at December 31, 2025	(165,570,886)	(124,119,124)
Deficit already financed by Qard-e-Hasana	173,900,000	173,900,000
	8,329,114	49,780,876

37 GENERAL

Figures have been rounded off to the nearest Rupee.

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on February 26, 2026 by the Board of Directors of the Operator.

CHIEF FINANCIAL OFFICER	CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	DIRECTOR

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("AGM") of TPL Insurance Limited ("Company") will be held on April 30, 2026 at 11:30 a.m. at Dr. Shamshad Akhtar Auditorium Pakistan Stock Exchange Limited, Stock Exchange Building, Exchange Road, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To approve the minutes of the Annual Meeting held on April 30, 2025.

   "RESOLVED THAT the minutes of the Annual Meeting of TPL Insurance Limited held on April 30, 2025 at 11:45 am be and are hereby approved."

2. To receive, consider and adopt the Annual Audited Financial Statements of the Company together with the Directors', Auditors' and Chairman's Review Report thereon for the year ended December 31, 2025.

   "RESOLVED THAT the Annual Audited Financial Statements of TPL Insurance Limited, together with the Chairman's Review Report, Directors' and Auditors' Report thereon for the year ended 31 December 2025 be and are hereby approved."

3. To appoint auditors for the year ending 31 December 2026, and to fix their remuneration. M/s. Grant Thornton Anjum Rahman, Chartered Accountants, have retired and, being eligible, have offered themselves for reappointment. The Board of Directors, on the recommendation of the Audit Committee, proposes their reappointment as auditors of the Company for the said year.

   "RESOLVED THAT M/s. Grant Thornton Anjum Rahman, Chartered Accountants be and are hereby re-appointed as Auditors of M/s. TPL Insurance Limited on the basis of consent received from them, at a fee mutually agreed for the period ending 31 December, 2026."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company for renewal of advance of Rs. 300 million to the associated company, TPL Trakker Limited.

   "RESOLVED THAT pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized for renewal of advance of Rs. 300 million to the associated company TPL Trakker Limited."

ANY OTHER BUSINESS

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

By Order of the Board

Shayan Mufti

Company Secretary **Karachi, April 09, 2026**

Notes:

1. **Registration to attend Annual General Meeting through Electronic Means:**

   a. In the light of relevant guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) from time to time, including vide letter No. SMD/SE/2/(20)/2021/117 date December 15, 2021, members are encouraged to participate in the Annual General Meeting ("AGM") through electronic facility organized by the Company.

   b. To attend the AGM through electronic means, the Members are requested to register themselves by providing the following information through email at company.secretary@tplholdings.com at least forty-eight (48) hours before the AGM.

Name of Shareholder	CNIC/NTN No.	Folio No/ CDC A/c No	Cell Number	Email Address

c. Members will be registered, after necessary verification as per the above requirement, and will be provided a video-link by the Company via email.

d. The login facility will remain open from 11:15 a.m. till the end of AGM.

2. **Closure of Share Transfer Books:**

   The Share Transfer Book of the Company will remain closed from April 24, 2026 to April 30, 2026, (both days inclusive). Share Transfers received at THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan by the close of business hours (5:00 PM) on April 23, 2026, will be treated as being in time for the purpose of above entitlement to the transferees.

3. **Participation in the AGM:**

   All members, whose names appear in the register of members of the Company as on April 23, 2026, are entitled to attend (in person or by video link facility or through Proxy) the AGM and vote there at. A proxy duly appointed shall have such rights as respect to the speaking and voting at the AGM as are available to a member. Duly filled and signed Proxy Form must be received at the Registrar of the Company, THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan, not less than 48 hours before the AGM.

4. **For Attending the AGM:**

   In case of individual, the Account holder and/or Sub-account holder whose registration details are uploaded as per the CDC regulations, shall authenticate his/her identity by providing copy of his/her valid CNIC or passport along with other particulars (Name, Folio/CDS Account Number, Cell Phone Number) via email to aforementioned ID and in case of proxy must enclose copy of his/her CNIC or passport.

   In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be provided via email to aforementioned ID.

5. **Change of Address:**

   Members are requested to immediately notify the change, if any, in their registered address to the Share Registrar, THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan.

6. **Conversion of Physical Shares into the Book Entry Form:**

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

The shareholders of the Company having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The shareholders may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the shareholders may contact our Share Registrar, THK Associates (Private) Limited.

7. **Video Conferencing Facility**

The Company shall provide video conference facility to its members for attending the AGM at places other than the town in which the AGM is taking place, provided that if members, collectively holding 10% (ten percent) or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference at least 7 days prior to date of the AGM, the Company shall arrange video conference facility in that city, subject to availability of such facility in that city.

In this regard, please fill the enclosed form and submit the same to the registered address of the Company 7 days before holding of the AGM. The Company will, if such facility is available, intimate members regarding venue of video conference facility at least 5 days before the date of AGM along with complete information necessary to enable them to access such facility.

8. **For Voting for Special Agenda Items:**

a. **Voting through Ballot Paper:**

In accordance with regulation 8(2) of the Companies (Postal Ballot) Regulations, 2018, Members have the option to cast their votes using the enclosed ballot paper, a copy of which is also accessible on the Company's website. The duly filled in ballot paper should reach the chairman of the meeting through email at chairman@tplinsurance.com or through post to 20th Floor, Sky Tower-East Wing, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi, no later than one day prior to the AGM, during working hours.

b. **Electronic Voting:**

In accordance with Regulation 4 of the Companies (Postal Ballot) Regulations, 2018, Members also have the option to cast their votes through e-voting. To facilitate this, THK Associates (Private) Limited, the e-voting service provider, will send an email on April 24, 2026, to members containing the web address, login details, password, and other necessary information. The facility for e-voting shall open on April 25, 2026 and shall close at 1700 hours (Pakistan Standard Time) on April 29, 2026.

c. **Appointment of Scrutinizer for Special Business Item No. 4:**

M/s. Junaidy Shoaib Asad, Chartered Accountants, having more than 10 years of experience, and represented by Partner Mr. Naveed Alam, Chartered Accountant, has been designated as Scrutinizer, as required under the Companies (Postal Ballot) Regulations, 2018, for the purpose of voting on special business item number 4, i.e. investment in associated companies under Section 199 of the Companies Act.

9. Intimation of No Gift Distribution:

Members are hereby informed that no gifts will be distributed at the meeting.

10. Electronic Transmission of Annual Report 2025:

In pursuance of section 223(6) of the Companies Act, 2017 and S.R.O. 389 (I)/2023 dated March 21, 2023 of the Securities and Exchange Commission of Pakistan ("the SECP"), the Company has electronically transmitted the Annual Report 2025 through email to shareholders whose email addresses are available with the Company's Share Registrar, M/s. THK Associates (Private) Limited. However, in cases, where email addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along with the QR enabled code/weblink to download the Annual Report 2025 (containing the financial statements), have been dispatched.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2025, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request. Further, Members are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. THK Associates (Private) Limited if the Member holds shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.

Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

Renewal of advance of amount up to Rs. 300 million to TPL Trakker Limited:

TPL Insurance Limited (the "Company") is desirous to renew advance made to TPL Trakker Limited which was initially approved by the members in April, 2019.

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

S.No.	Requirement	Information
i.	Name of the associated company or associated undertaking	TPL Trakker Limited
ii.	Basis of relationship	Associated Company
iii.	Earnings per share for the last three years of the Associated Company	Earnings per Share: 2026 (HY): Rs. 0.48 2025 (0.37) 2024 Rs. 0.72
iv.	Break-up value per share, based on latest audited financial statements	Rs. 11.59 per share
v.	Financial position of the associated company	The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the half year ended Dec 31, 2025 is as follows:

Balance Sheet	**Rupees**
Non-current assets	4,229,875,434
Other assets	1,704,205,982
Total Assets	5,934,081,416
Total Liabilities	4,230,539,515
Represented by:	
Paid up capital	1,872,630,930
Capital Reserve	299,589,788
Equity	2,172,220718
Profit and Loss - HY 2026	
Profit before interest and taxation	(2,065,794)
Financial charges	(141,915,529)
Loss before taxation	(143,981,323)
Taxation	96,147,781
Loss after taxation	(240,129,104)

S.No.	Requirement	Information
vi.	In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	N/A
vii.	Maximum amount of investment/advance to be made	PKR 300 million
viii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To ensure continuity of supply of tracking units used in insured vehicles
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Available cash and bank balances.
x.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	The advance is provided in accordance with the agreement made in the year 2017 between TPL Insurance Limited and TPL Trakker Limited to ensure continuity of supply of tracking units. The advance carries markup at the rate of KIBOR + 3.5% with a floor of 10% per annum.
xi.	Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration	The directors of the Company are solely interested to the extent of their directorships and shareholdings in the Company. Following is the common director of TPL Trakker Limited and the Company:

Name of Director	Shareholding in TPLI	Shareholding in TPLT
Jameel Yusuf	837	1

S.No.	Requirement	Information
xi.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	The advance was provided in the past and carried mark-up at KIBOR + 3.5% per annum. The Company did not recognize any impairment loss on this investment since inception. The investment ensures timely availability of tracking units to the Company enabling it to mitigate underwriting risks.
xiii.	Any other important details necessary for the members to understand the transaction;	N/A
xiv.	Category-wise amount of investment;	Advance against supply of tracking units upto Rs. 300 million
xv.	Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period	Current 1 year KIBOR is 15.93% per annum on 3rd January 2025
xvi	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	The advance carries markup at the rate of 1 year KIBOR + 3.5% with a floor of 10%
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	The advance is unsecured
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	Advance is not convertible
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Advance is adjustable against the invoices for rental of tracking units and monitoring fee on a monthly basis.

Video Conferencing Facility Request Form for Annual General Meeting of TPL Insurance Limited

I/We ______________________________ S/o / D/o / W/o ______________________ resident of (full address) ____ being a member(s) of TPL Insurance Limited ("the Company), holding _______________ ordinary shares, hereby opt for video conference facility at _______________ to attend the Annual General Meeting of the Company to be held on **Thursday, 30 April, 2026** and/or adjournment thereof.

Folio No. / CDC Account No.

Signature on Revenue Stamp of Appropriate Value.

The signature should agree with the specimen registered with the Company.

POSTAL BALLOT PAPER

Postal Ballot Paper for a Special Business Item to be transacted at the Annual General Meeting ("AGM") of TPL Insurance Limited ("Company") to be held on Thursday, April 30, 2026 at 11:30 A.M. at Dr. Shamshad Akhtar Auditorium Pakistan Stock Exchange Limited, Stock Exchange Building, Stock Exchange Road, Karachi.

This is in accordance with regulation 8(2) of the Companies (Postal Ballot) Regulations, 2018. Members have the option to cast their votes using the ballot paper, a copy of which is also accessible on the Company's website. The duly filled in ballot paper should reach the chairman of the meeting through email at chairman@tplinsurance.com or through post to 20 Floor, Sky Tower-East Wing, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi, no later than one day prior to the Annual General Meeting (the "AGM"), during working hours.

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

I/we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate):

Sr. No.	Nature and Description of resolution	No. of ordinary shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	To consider and if thought fit, to pass with or without modification, special resolution in terms of Section 199 of the Companies Act 2017 to authorize the Company for renewal of advance of Rs. 300 million to the associated company TPL Trakker Limited. **"RESOLVED THAT** pursuant to Section 199 of the Companies Act 2017, the Company be and is hereby authorized for renewal of advance of Rs. 300 million to the associated company TPL Trakker Limited."			

Signature of shareholder(s)

Place:____________________

Date:____________________

NOTES:

1. Dully filled postal ballot should be sent to chairman at chairman@tplinsurance.com or through post to Mr. Jameel Yusuf, TPL Insurance Limited, 20 Floor, Sky Tower-East Wing, Dolmen City, HC-3, Block Abdul Sattar Edhi Avenue, Clifton, Karachi.
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before April 29, 2026. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

FORM OF PROXY

Annual General Meeting of TPL Insurance Limited

I/We ______________________ S/o / D/o / W/o ______________________

resident of (full address) ____

being a member(s) of **TPL Insurance Limited ("the Company"),** holding ______________

ordinary shares, hereby appoint ______________________________________

S/o / D/o / W/o ______________________________________ resident of

(full address) __________________________________ or failing him / her

______________________ S/o / D/o / W/o ______________________

resident of (full address) ______________________________ as my / our proxy

in my / our absence to attend and vote for me / us on my / our behalf at Annual General Meeting of the Company to be held on Thursday, 30 April, 2026 and/or adjournment thereof.

As witness my / our hand (s) seal this on the __________ day of ____________ 2026.

Signed by the said:

Folio No. / CDC Account No.

Signature on Revenue Stamp of Appropriate Value.

The signature should agree with the specimen registered with the Company

In presence of:

1. Signature: ______________________
   Name: ______________________
   Address: ______________________
   CNIC or Passport No: ______________

2. Signature: ______________________
   Name: ______________________
   Address: ______________________
   CNIC or Passport No: ______________

Important Instructions:

1. The Proxy form, duly completed and signed, must be received at the Registrar's Office of the Company not less than forty-eight (48) hours before the time of holding the meeting.

2. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

3. In case of a proxy for an individual CDC shareholder, attested copies of CNIC or the passport, account and participant's ID number of the beneficial owner and along with the proxy is required to be furnished with the proxy form.

4. In case of a corporate entity, the Board of Directors' resolution / power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form of the Company.

Plot 19 B, Ground Floor, Sindhi Muslim Cooperative Housing
Society Block B Sindhi Muslim CHS (SMCHS), Karachi

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