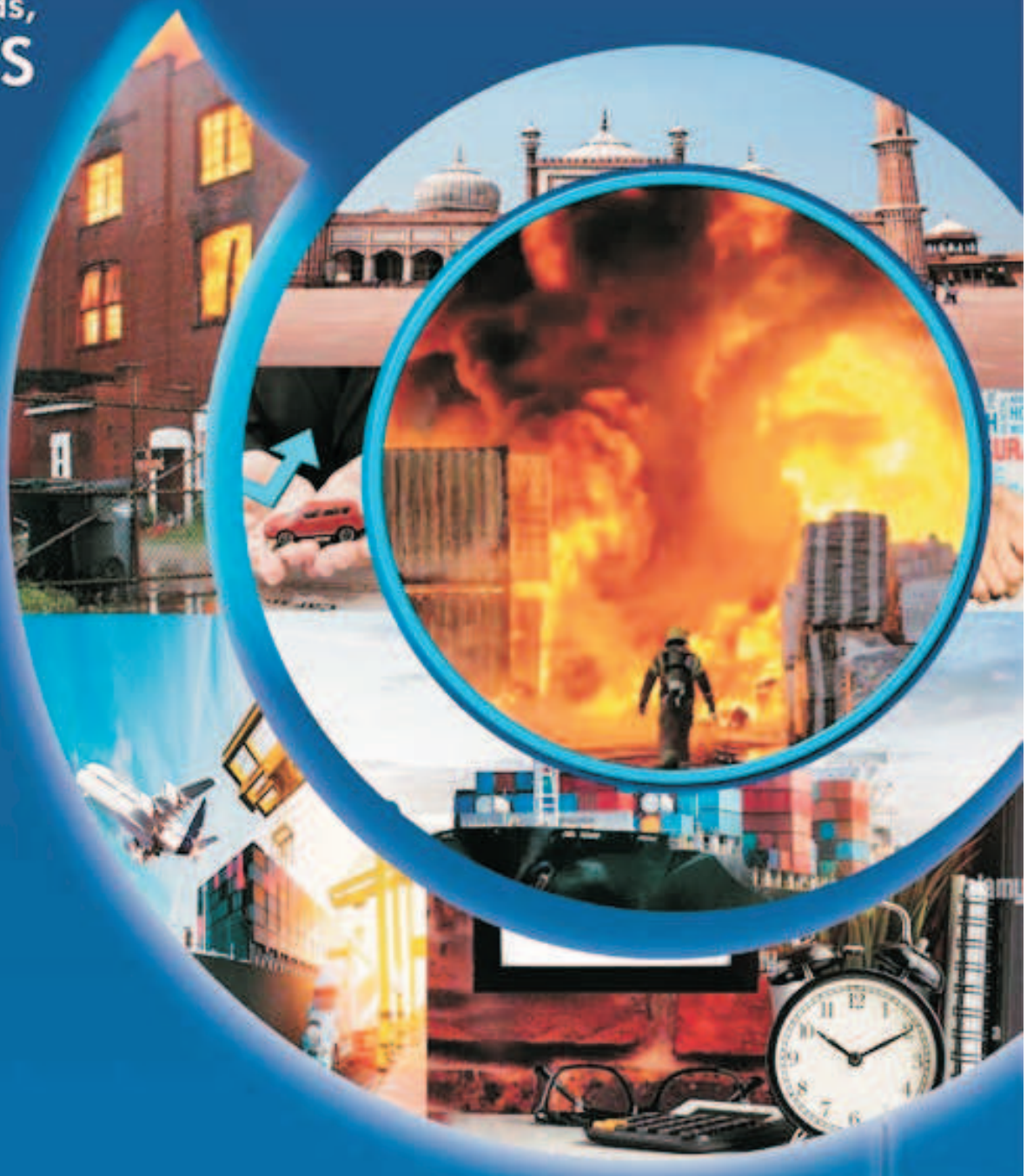
in Safe Hands,
ALWAYS



alpha
Insurance Company Limited.
A Subsidiary of State Life Insurance Corporation of Pakistan

Conventional & Takaful

74th Annual Report 2025

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Company Information

Board of Directors

Mr. Tariq Ikram
Chairman

Dr. Lubna Ayub
Director

Mr. Muhammad Amjad
Director

Syed Shahnawaz Nadir
Director

Ms. Rafat Sultana
Director

Chief Executive Officer

Dr. Syed Arif Hussain

Chief Financial Officer

Mr. Muhammad Rashid

Company Secretary

Mr. Muhammad Rashid

BOARD COMMITTEES

Audit Committee

Ms. Rafat Sultana
Chairperson

Dr. Lubna Ayub
Member

Mr. Muhammad Amjad
Member

Muhammad Shahbaz Khan
Head of Internal Audit
Secretary

Ethics, Human Resource, Remuneration and Nomination Committee

Dr. Lubna Ayub
Chairperson

Mr. Tariq Ikram
Member

Mr. Muhammad Amjad
Member

Dr. Syed Arif Hussain - CEO
Member

Mr. Liaqut Ali Qamar -
Head HR & Admin Secretary

Investment Committee

Syed Shahnawaz Nadir
Chairman

Mr. Tariq Ikram
Member

Ms. Rafat Sultana
Member

Dr. Syed Arif Hussain- CEO
Member

Muhammad Rashid - CFO
Member & Secretary

MANAGEMENT COMMITTEES

Underwriting, Re-Insurance and Co-Insurance Committee

Dr. Lubna Ayub
Chairperson

Syed Shahnawaz Nadir
Member

Ms. Rafat Sultana
Member

Dr. Syed Arif Hussain- CEO
Member

Muhammad Rashid - CFO
Member

Khawaja Balighuddin - Head of Operations
Member & Secretary

Claims Settlement Committee

Mr. Muhammad Amjad
Chairman

Mr. Tariq Ikram
Member

Dr. Syed Arif Hussain- CEO
Member

Mr. Rana Jawed - Head of Claims
Member & Secretary

Risk Management, Compliance and IT Steering Committee

Mr. Tariq Ikram
Chairman

Dr. Lubna Ayub
Member

Dr. Syed Arif Hussain- CEO
Member

Mr. Muhammad Rashid - CFO
Member

Mr. Umair Sattar Abro - Head of IT
Member

Mr. Ahsan Zafar
Head of Compliance
Member & Secretary

Company Information

Management

Dr. Syed Arif Hussain
Chief Executive Officer

Mr. Muhammad Rashid
Chief Financial Officer
& Company Secretary

Mr. Khwaja Balighuddin
General Manager /
Head of Operations

Mr. Liaqut Ali Qamar
Head of HR / Admn & Legal Affairs

Mr. Rana Jawed
Head of Claims

Mr. Muhammad Adeel Khan
Head of Underwriting and Reinsurance

Mr. Muhammad Shahbaz Khan
Head of Internal Audit

Mr. Umair Sattar Abro
Head of Corporate Affairs &
Risk Manager

Mr. Jawwad Yousuf
Head of Takaful

Mr. Ahsan Zafar
Head of Compliance

Auditors

M/s BDO Ebrahim & Co.
Chartered Accountants

Legal Advisor

Mr. Sajid Basheer
Advocate

Tax Consultants

M/S EY Ford Rhodes
Chartered Accountants

Shariah Advisor

Sajjad Ashraf Usmani
Window Takaful Operations

Marketing Team

Mr. Muhammad Reyaz Ahmed
Branch Head
Main Branch
Karachi

Mr. Muhammad Abbass
Branch Head
Karachi South Division Branch
Karachi

Ms. Saiqa Bano
Branch Head
Corporate Branch
Karachi

Mr. Abdul Qadus Mirza
Branch Head
State Life Square Branch
Karachi

Mr. Wahid Patel
Branch Head
Central Branch
Karachi

Mr. Babar Shahzad
Branch Head
Multan Branch
Multan

Mr. Najam ul Hassan
Branch Head
Lahore Branch
Lahore

Mr. Muhammad Akhtar Rao
Branch Head
Faisalabad Central Branch
Faisalabad

Mr. Abdul Sattar Javed
Branch Head
Faisalabad Branch
Faisalabad

Mr. Abid Hussain
GM/Branch Head
Islamabad Branch
Islamabad

Mr. Javaid Iqbal Choudhry
Branch Head
Islamabad Blue Area Branch
Islamabad

Bankers

United Bank Limited
Allied Bank Limited
JS Bank Limited
MCB Limited
National Bank of Pakistan
Soneri Bank Limited
Meezan Bank Limited
Bank Al Habib Limited

Reinsurers / Retakaful

Pakistan Re-insurance Company Limited
Ocean International Re-insurance Co. Ltd.
Best meridian International
Labuan Re
Saudi Re
Tunis Re
MISR
Pakistan Reinsurance Company Limited
(Window Retakaful Operations)
Kenya Retakaful
Tunis Retakaful

Registered Office

4th Floor, Building # 1-B,
State Life Square,
I. I. Chundrigar Road
Karachi -Pakistan
Tel: 32416041-45
E-mail: info@alphainsurance.com.pk
Web: www.alphainsurance.com.pk

Key Financial Data - Six Years

(Figures in '000)

	2025	2024	2023	2022	2021	2020
Paid Up Capital	500,000	500,000	500,000	500,000	500,000	500,000
Retained Earning	216,890	194,334	156,413	106,401	120,430	102,581
Capital & Revenue Reserves	119,056	132,522	61,727	81,799	92,611	97,537
Total Equity	835,945	826,856	718,139	688,200	713,041	700,118
Underwriting Reserves	544,739	451,678	339,472	297,263	214,408	258,719
Total Reserves	880,684	778,534	557,611	485,463	427,449	458,837
Total Liabilities	1,190,794	838,873	552,803	466,485	364,564	382,809
Total Assets	2,026,740	1,665,729	1,270,942	1,154,685	1,077,605	1,082,927
Investments, Cash & Bank Balances	1,051,100	994,017	779,277	808,354	783,740	801,037
Gross Premium	446,992	527,274	350,778	255,507	174,121	97,043
Retained Premium (Net Premium)	329,146	369,971	246,992	182,580	102,878	70,318
Net Claims (Loss)	222,004	226,208	144,840	116,577	26,270	44,550
Management & Other Expenses	209,804	176,247	126,897	98,016	88,180	92,869
Underwritting Profit / (Loss)	134,938	(127,879)	(78,895)	(68,100)	(35,717)	(57,895)
Investments and Miscellaneous Income	187,572	188,070	164,412	61,044	68,303	66,690
Finance Cost	3,025	3,178	391	997	1,582	2,159
Profit before tax from Window Takaful Operations - Operator's Fund	9,498	6,742	4,061	-	-	-
Profit / (Loss) Before Tax	34,627	55,079	85,388	(11,083)	27,763	2,971
Profit / (Loss) After Tax	22,407	38,597	49,571	(14,283)	18,256	1,835
Important Ratios						
Gross premium to total equity - %	53%	64%	49%	37%	24%	14%
Net premium to total equity - %	39%	45%	34%	27%	14%	10%
Net Loss to net premium - %	67%	61%	59%	64%	26%	63%
Expense to net premium - %	64%	48%	51%	54%	86%	132%
Combined ratio - (net loss + expense ratio) to net premium - %	131%	109%	110%	118%	111%	195%
Underwriting Loss to net premium - %	-41%	35%	32%	37%	35%	82%
Return on Equity - (before tax) (Rs.)	0.04	0.07	0.12	(0.02)	0.04	0.00
Return on Equity - (after tax) (Rs.)	0.03	0.05	0.07	(0.02)	0.03	0.00
Return on Total Assets - (before tax) (Rs.)	0.02	0.03	0.07	(0.01)	0.03	0.00
Return on Total Assets - (after tax) (Rs.)	0.01	0.02	0.04	(0.01)	0.02	0.00
Earning/(loss) per share	0.45	0.77	0.99	(0.29)	0.37	0.04
Breakup value per share (Book Value) Rs.	16.72	16.54	14.36	13.76	14.26	14.00

VISION STATEMENT

With help and involvement of all its Stakeholders to make Alpha one of the leading General Insurance Company of the Country with a vibrant marketing force and efficient and responsive office, so as to provide best quality services to its policyholders.

MISSION STATEMENT

To work zealously towards attaining these objectives and be able to compete in the open market by developing a vibrant field force and efficient and responsive office staff.

OUR QUALITY POLICY

We are committed to provide best quality service to our valued policyholders to their satisfaction by assessing their risk need, tailoring product to their requirements and by consistent efforts to reduce time for settlement of claims. We believe that proper assessment of risks of our clients and prompt settlement of claims are the key to our Company's growth.

To comply with and continuously improve the effectiveness of our quality Management System.

Notice of Annual General Meeting

Notice is hereby given that 74th Annual General Meeting of Alpha Insurance Company Limited will be held on Thursday, April 30th, 2026 at 11:00 a.m. at registered office of the Company situated at 4th Floor, Building No. 1-B, State Life Square, I. I. Chundrigar Road, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Extra Ordinary General Meeting held on Tuesday, July 29, 2025.

2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December 2025, along with the Directors' Report and Auditor's Report thereon.

3. To receive, consider and adopt the Audited Financial Statements of the Window Takaful Operation of the Company for the year ended 31st December 2025, along with the Directors' Report and Auditor's Report thereon.

4. To re-appoint the auditors of the Company, for both Conventional and Window Takaful Operations for the year ending 31 December 2026 and fix their remuneration.

5. Any other matter with the permission of the Chairman.

By Orders of the Board

Muhammad Rashid
Company Secretary

Karachi: April 09, 2026

Notes:

1. The share transfer Books of the Company will remain closed from April 23rd, 2026 to April 29th, 2026 (both days inclusive).

2. A member entitled to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting.

3. The instrument appointing a proxy must be received at registered Office of the Company situated at 4th Floor, Building No. 1-B, State Life Square, I. I. Chundrigar Road, Karachi not later than 48 hours before the time of the Meeting. A member shall not be entitled to appoint more than one proxy. 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 proxies shall be rendered invalid.

4. Change of address, if any, should be notified immediately to the Company at 4th Floor, Building No. 1-B, State Life Square, I .I. Chundrigar Road, Karachi.

Report of the Directors to Shareholders

For the year ended December 31, 2025

The Board of Directors of Alpha Insurance Company Limited is pleased to present the 74th Annual Report to its valued shareholders, providing an overview of the Company's performance, strategic initiatives, and financial results for the year ended December 31, 2025. This report outlines key developments, challenges, and opportunities that shaped our business trajectory during the year, along with our enduring commitment to sustainable growth and long-term shareholder value.

COMPANY PERFORMANCE

The following table sets out key financial results for the year under review:

	2025	2024	Change
	----------Rupees----------		%
Gross Written Premium	446,991,625	527,274,070	-15%
Net Premium Revenue	329,146,246	369,971,282	-11%
Net Insurance Claims	(222,004,222)	(226,208,498)	-2%
Net Acquisition Costs	(71,705,131)	(94,236,325)	-24%
Management Expenses	(185,324,919)	(167,571,288)	+11%
Underwriting Loss	(134,937,895)	(127,879,351)	+6%
Net Investment Income	167,841,827	159,373,020	+5%
Other Income	19,729,770	28,697,384	-31%
Profit from Takaful Ops - Operator's Fund	9,497,509	6,742,280	+41%
Profit Before Tax	34,626,935	55,079,402	-37%
Income Tax	(12,220,089)	(16,481,911)	-26%
Profit After Tax	22,406,846	38,597,491	-42%
Earnings Per Share - Basic & Diluted (Rs.)	0.45	0.77	-42%

Premium

During the year, the Company recorded Gross Written Premium of Rs. 446.99 million, a decline of 15% compared to Rs. 527.27 million in 2024. This reduction reflects management's strategic decision to refrain from underwriting new business in the health and accident portfolio, a segment characterised by elevated loss ratios. Net premium revenue correspondingly decreased by 11% to Rs. 329.15 million, with reinsurance expense absorbing Rs. 141.31 million of the gross premium base.

Claims and Acquisition Costs

Net insurance claims decreased marginally by 2% to Rs. 222.00 million (2024: Rs. 226.21 million). The proportionate reduction was less than the decline in premium income, owing to significant claims in the fire and property segment. Net acquisition costs declined by 24% to Rs. 71.71 million, reflecting improved efficiency in the Company's distribution channels.

Management Expenses

Management expenses increased by 11% to Rs. 185.32 million (2024: Rs. 167.57 million), driven primarily by inflationary pressures across salary and operating cost lines, as well as targeted investments in operational capacity and technology. As a result, the Company recorded an underwriting loss of Rs. 134.94 million, marginally higher than Rs. 127.88 million in 2024.

Investment and Other Income

Net investment income grew by 5% to Rs. 167.84 million (2024: Rs. 159.37 million), reflecting prudent portfolio management and the benefit of prevailing interest rates on the debt securities portfolio of Rs. 711.66 million. Other income declined by 31% to Rs. 19.73 million.

Window Takaful Operations

The Company's Window Takaful Operations (Operator's Fund) delivered a profit before tax of Rs. 9.50 million, an increase of 41% over the Rs. 6.74 million recorded in 2024. Net contribution revenue earned by the Participants' Takaful Fund amounted to Rs. 47.84 million (2024: Rs. 4.12 million), reflecting strong business growth. After net claims and direct expenses, the Participants' Takaful Fund recorded a deficit of Rs. 17.74 million for the year.

Overall Profitability

Overall, profit before tax stood at Rs. 34.63 million, a decline of 37% compared to Rs. 55.08 million in 2024. After income tax of Rs. 12.22 million, profit after tax was Rs. 22.41 million (2024: Rs. 38.60 million), resulting in earnings per share of Rs. 0.45 (2024: Rs. 0.77). Total equity stood at Rs. 835.95 million as at December 31, 2025 (2024: Rs. 826.86 million), and total assets reached Rs. 2.03 billion.

CREDIT RATING

VIS Credit Rating Company has reaffirmed an 'A+' (Single A Plus) financial strength rating for the Company for the fiscal year 2024-25, with a Stable outlook. The Board regards this reaffirmation as a strong endorsement of the Company's financial resilience, sound risk management practices, and the continued support of its parent, State Life Insurance Corporation of Pakistan.

FUTURE OUTLOOK

i) Strategic Outlook and Commitment to Growth

Looking ahead, the Company remains focused on strengthening its core business fundamentals and delivering meaningful growth over the short to medium term. Sustained top-line expansion, with disciplined emphasis on underwriting profitability, remains a key strategic priority. Management has commenced a targeted programme of business development across fire, marine, motor, and miscellaneous classes, supported by selective underwriting to improve portfolio quality. The Company expanded its branch network from 9 to 12 during 2025, enhancing geographic reach and distribution capability.

By leveraging its established market position and adopting advanced technologies, including artificial intelligence and data analytics in underwriting and claims management, the Company is well positioned to capitalise on emerging opportunities in Pakistan's growing insurance market. Our skilled workforce and track record of execution will remain central to this progress as we enhance organisational capacity and pursue targeted marketing initiatives aimed at sustainable growth and operational excellence.

While short-term profit growth may remain modest as the Company invests in capacity and technology, we anticipate steady revenue expansion. Over the medium to long term, our strategy is designed to deliver consistent increases in both revenue and profitability through broader product offerings, improved underwriting discipline, and by building on existing strengths.

ii) Commitment to Stakeholder Engagement

At Alpha Insurance, we prioritise fostering meaningful and enduring partnerships with all stakeholders. Our commitment to diversity and inclusion extends to every community in which we operate. Guided by a comprehensive community strategy, we actively engage with local stakeholders to remain well-informed about the social and demographic factors that shape our business environment. Stakeholder engagement is integral to our continued success, and by maintaining transparent and collaborative relationships with all groups impacted by our business, we reinforce our dedication to responsible corporate governance and sustainable long-term growth.

REINSURANCE

Reinsurance arrangements for the year 2025 were successfully concluded in the final quarter of 2024. As a result, the Company's underwriting capacity stands at Rs. 1 billion for Fire, Marine, and Engineering classes. The Company maintains relationships with reputable international and domestic reinsurers, ensuring adequate risk transfer and financial security for policyholders.

CONTINGENCIES AND COMMITMENTS

The Board has sufficient grounds to believe that the ultimate outcome of contingencies mentioned in Note 25 to the Financial Statements will be resolved in the Company's favour. Accordingly, no provision has been made in these financial statements in respect of such matters.

MINIMUM PAID-UP CAPITAL

The SECP has revised the minimum paid-up capital requirement for non-life insurers, mandating increases to Rs. 1.0 billion by December 31, 2026, Rs. 1.5 billion by December 31, 2028, and Rs. 2.0 billion by December 31, 2030. The Company's paid-up capital currently stands at Rs. 500 million. The Board and management are actively evaluating all available options to ensure compliance within the stipulated timeframes.

DIVIDEND AND APPROPRIATIONS

The Board of Directors has resolved not to declare a dividend for the year ended December 31, 2025. This decision reflects the Board's view that retained earnings will best serve the long-term interests of shareholders, by preserving capital to fund planned growth initiatives, strengthen the Company's balance sheet ahead of SECP minimum capital requirements, and support sustainable business expansion over the medium to long term.

EARNINGS PER SHARE

Earnings per share for the year ended December 31, 2025 amounted to Rs. 0.45 (2024: Rs. 0.77), a decline of 42%, primarily attributable to lower underwriting results and higher expenses. The weighted average number of shares in issue during the year was 50,000,000. Management regards this decline as temporary and remains confident of a recovery as strategic growth initiatives gain traction and the underwriting portfolio is repositioned for improved profitability.

AUDITORS

The Board also expresses its sincere appreciation to the auditors, acknowledging their professionalism and valuable contribution to strengthening the company's internal and financial control systems. Their expertise and guidance have been instrumental in supporting both the Board and management, and their services are deeply valued.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors confirm that, to the best of their knowledge and belief:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows, and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied and accounting estimates are based on reasonable and prudent judgement.
- International Financial Reporting Standards (IFRS) as applicable in Pakistan, and the provisions of the Companies Act, 2017, the Insurance Ordinance, 2000, and the SECP (Insurance) Rules, 2017 have been followed. Any departures therefrom have been adequately disclosed.

- The internal control system has been augmented and provides effective monitoring and control to senior management.
- There is no basis to doubt the Company's ability to continue as a going concern.
- The Statement of Compliance with the Code of Corporate Governance is attached to these Financial Statements for the year ended December 31, 2025.

DIRECTORS' REMUNERATION

In accordance with applicable regulations, the Company's policy provides that no remuneration shall be payable to non-executive directors unless they attend a Board meeting, in which case a meeting fee is paid in accordance with the Company's Articles of Association and applicable regulatory requirements.

BOARD MEETINGS

During the year, ten (10) meetings of the Board of Directors were held. Attendance details are as follows:

Name of Director	Eligible	Attended
Mr. Tariq Ikram	10	9
Mr. Faisal Mumtaz *	8	6
Muhammad Amjad	10	10
Syed Shahnawaz Nadir	10	10
Dr. Lubna Ayub	10	9
Ms. Rafat Sultana	10	10

* Mr. Faisal Mumtaz resigned during the year and was accordingly eligible for 8 of the 10 meetings held. The Board places on record its appreciation for the commendable contribution made by Mr. Faisal Mumtaz during his tenure.

BOARD COMMITTEES' MEETINGS

Details of Board Committee meetings held during the year are as follows:

Committee	Meetings Held
Audit Committee	5
Ethics, HR, Remuneration, Nomination and Procurement Committee	8
Investment Committee	2

MANAGEMENT COMMITTEES' MEETINGS

Details of Management Committee meetings held during the year are as follows:

Committee	Meetings Held
Underwriting, Reinsurance, and Coinsurance Committee	2
Claims Settlement Committee	2
Risk Management, Compliance, and IT Steering Committee	2

PATTERN OF SHAREHOLDING

The pattern of shareholding as at December 31, 2025, as required under the Companies Act, 2017 and the Code of Corporate Governance, is set out separately in this Annual Report. The parent entity, State Life Insurance Corporation of Pakistan, holds 95.15% of the issued share capital of the Company.

SIX YEARS' KEY FINANCIAL DATA

A six-year summary of key financial data, as required under the Code of Corporate Governance, is set out separately in this Annual Report.

ACKNOWLEDGEMENT

On behalf of the Board, we extend our sincere gratitude to our valued clients for entrusting the Company with their risk management needs. We also wish to express our deep appreciation to our shareholders, and in particular to the State Life Insurance Corporation of Pakistan, for their unwavering support, which has been foundational to the Company's growth and stability.

We further acknowledge the invaluable cooperation, guidance, and advice provided by the Securities and Exchange Commission of Pakistan, the Insurance Association of Pakistan, the State Bank of Pakistan, and our foreign correspondents and reinsurers.

Finally, we recognise and commend the dedication and hard work of our marketing and back-office staff across the country throughout the year ended December 31, 2025. Their commitment is integral to the Company's continued progress and the delivery of value to all our stakeholders.

We look forward to another year of resilience, growth, and shared success.

Karachi: April 09, 2026

For and on behalf of the Board

Dr. Syed Arif Hussain
Chief Executive Officer

Tariq Ikram (SI)
Chairman

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

برائے سال مختتمہ 31 دسمبر 2025

الفاء انشورنس کمپنی لمیٹڈ، 74 ویں سالانہ رپورٹ

الفا انشورنس کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز اپنے معزز شیئر ہولڈرز کو 74 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہے، جس میں کمپنی کی کارکردگی، حکمت عملی کے اقدامات، اور مالی نتائج کا جائزہ دیا گیا ہے جو 31 دسمبر 2025 کو ختم ہونے والے مالی سال کیلئے ہیں۔ یہ رپورٹ اہم پیش رفت، چیلنجز اور مواقع کو اُجاگر کرتی ہے جنہوں نے اس سال ہمارے کاروباری راستے کو تشکیل دیا، ساتھ ہی پائیدار ترقی اور طویل مدتی شیئر ہولڈر ویلیو کیلئے ہماری مستقل وابستگی کو بھی بیان کرتی ہے۔

کمپنی کی کارکردگی

زیر نظر جدول مدت کیلئے اہم مالیاتی نتائج درج ذیل ہیں:

	2025	2024	تبدیلی
	------روپے------		
مجموعی تحریری پریمیم	446,991,625	527,274,070	-15%
نیٹ پریمیم ریونیو	329,146,246	369,971,282	-11%
نیٹ انشورنس کلیمز	(222,004,222)	(226,208,498)	-2%
مجموعی حصول لاگت	(71,705,131)	(94,236,325)	-24%
انتظامی اخراجات	(185,324,919)	(167,571,288)	+11%
انڈر رائٹنگ نقصان	(134,937,895)	(127,879,351)	+6%
مجموعی سرمایہ آمدنی	167,841,827	159,373,020	+5%
دیگر آمدنی	19,729,770	28,697,384	-31%
تکافل آپریشنز سے منافع۔ آپریٹرز فنڈ	9,497,509	6,742,280	+41%
منافع قبل از ٹیکس	34,626,935	55,079,402	-37%
انکم ٹیکس	(12,220,089)	(16,481,911)	-26%
منافع بعد از ٹیکس	22,406,846	38,597,491	-42%
فی حصص آمدنی۔ بنیادی اور مخفف	0.45	0.77	-42%

پریمیم

سال کے دوران، کمپنی نے مجموعی تحریری پریمیم 446.99 ملین روپے ریکارڈ کیا، جو 2024 میں 527.27 ملین روپے کے مقابلے میں 15 فیصد کی کمی ہے۔ یہ کمی انتظامیہ کے اس حکمت عملی فیصلے کی عکاسی کرتی ہے کہ صحت اور حادثات کے پورٹ فولیو میں نئے کاروبار کی انڈر رائٹنگ سے گریز کیا جائے، جو ایک ایسا شعبہ ہے جس میں نقصان کے تناسبات زیادہ ہوتے ہیں۔ خالص پریمیم آمدنی اسی تناسب سے 11 فیصد کم ہو کر 329.15 ملین روپے رہ گئی، جس میں ری انشورنس کے اخراجات نے مجموعی پریمیم کی بنیاد سے 141.31 ملین روپے جذب کیے۔

کلیمز اور حصول لاگت

خالص انشورنس کلیمز میں معمولی طور پر 2 فیصد کمی واقع ہوئی اور یہ 222.00 ملین روپے تک پہنچ گئے (2024: 226.21 ملین روپے)۔ متناسب کمی پریمیم آمدنی میں کمی کے مقابلے میں کم رہی، جس کی وجہ فائر اور پراپرٹی کے شعبے میں نمایاں کلیمز تھے۔ 14.95 ملین روپے کی پریمیم کمی کی واپسی کو تسلیم کیا گیا، جبکہ گزشتہ سال 9.83 ملین روپے کا خرچ ریکارڈ کیا گیا تھا، جو کچھ پورٹ فولیوز کی بنیادی انڈر رائٹنگ پوزیشن میں بہتری کی عکاسی کرتا ہے۔ خالص حصولی لاگت میں 24 فیصد کمی واقع ہوئی اور یہ 71.71 ملین روپے رہ گئی، جو کمپنی کے ڈسٹری بیوشن چینلز میں بہتر کارکردگی کی عکاسی کرتی ہے۔

انتظامی اخراجات:

انتظامی اخراجات میں 11 فیصد اضافہ ہوا جو کہ 185.32 ملین روپے تک پہنچ گئے (2024: 167.57 ملین روپے)، جس کی بنیادی وجہ تنخواہوں اور آپریٹنگ اخراجات کی مدوں میں افراطِ زر کے دباؤ کے ساتھ ساتھ آپریشنل صلاحیت اور ٹیکنالوجی میں ہدفی سرمایہ کاری تھی۔ نتیجتاً، کمپنی کو 134.94 ملین روپے کا انڈر رائٹنگ نقصان ہوا، جو 2024 کے 127.88 ملین روپے کے مقابلے میں قدرے زیادہ ہے۔

سرمایہ کاری اور دیگر آمدنی:

خالص سرمایہ کاری آمدنی میں 5 فیصد اضافہ ہوا اور یہ 167.84 ملین روپے تک پہنچ گئی (2024: 159.37 ملین روپے)، جو محتاط پورٹ فولیو مینجمنٹ اور 711.66 ملین روپے کے قرضہ جاتی سیکیورٹیز پورٹ فولیو پر موجودہ شرح سود کے فائدے کی عکاسی کرتا ہے۔ دیگر آمدنی میں 31 فیصد کمی ہو کر 19.73 ملین روپے رہ گئی۔

ونڈو تکافل آپریشنز:

کمپنی کے ونڈو تکافل آپریشنز (آپریٹرز فنڈ) نے ٹیکس سے پہلے 9.50 ملین روپے کا منافع حاصل کیا، جو 2024 میں ریکارڈ کیے گئے 6.74 ملین روپے کے مقابلے میں 41 فیصد اضافہ ہے۔ شرکاء کے تکافل فنڈ کی جانب سے حاصل کردہ خالص کنٹریبیوشن ریونیو 47.84 ملین روپے رہا (2024: 4.12 ملین روپے)، جو مضبوط کاروباری ترقی کی عکاسی کرتا ہے۔ خالص کلیمز اور براہِ راست اخراجات کے بعد، شرکاء کے تکافل فنڈ نے سال کیلئے 17.74 ملین روپے کا خسارہ ریکارڈ کیا۔

مجموعی منافع:

مجموعی طور پر، ٹیکس سے پہلے منافع 34.63 ملین روپے رہا، جو 2024 میں 55.08 ملین روپے کے مقابلے میں 37 فیصد کی کمی کو ظاہر کرتا ہے۔ 12.22 ملین روپے کے انکم ٹیکس کے بعد، ٹیکس کے بعد منافع 22.41 ملین روپے رہا (2024: 38.60 ملین روپے)، جس کے نتیجے میں فی حصص آمدنی 0.45 روپے (2024: 0.77 روپے) رہی۔ 31 دسمبر 2025 تک مجموعی ایکویٹی 835.95 ملین روپے رہی (2024: 826.86 ملین روپے)، جبکہ مجموعی اثاثے 2.03 ارب روپے تک پہنچ گئے۔

کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کمپنی نے مالی سال 2024-25 کیلئے کمپنی کی مالی مضبوطی کی درجہ بندی 'A+' (سنگل اے پلس) کو مستحکم آؤٹ لک کے ساتھ برقرار رکھا ہے۔ بورڈ اس توثیق کو کمپنی کی مالی لچک، مضبوط رسک مینجمنٹ طریقہ کار، اور اس کی پیرنٹ کمپنی، اسٹیٹ لائف انشورنس کارپوریشن آف پاکستان کی مسلسل حمایت کی مضبوط توثیق سمجھتا ہے۔

مستقبل کا آؤٹ لک

i) اسٹریٹجک آؤٹ لک اور ترقی کا عزم

آگے دیکھتے ہوئے، کمپنی اپنی بنیادی کاروباری اصولوں کو مضبوط بنانے اور مختصر تا درمیانی مدت میں بامعنی ترقی فراہم کرنے پر توجہ مرکوز رکھے ہوئے ہے۔ ٹاپ لائن آمدنی میں مسلسل توسیع، انڈر رائٹنگ کے منافع بخش ہونے پر منظّم زور کے ساتھ، ایک اہم اسٹریٹجک ترجیح بنی ہوئی ہے۔ انتظامیہ نے فائر، میرین، موٹر اور متفرق شعبوں میں کاروباری ترقی کا ایک ہدفی پروگرام شروع کیا ہے، جس کی معاونت پورٹ فولیو کے معیار کو بہتر بنانے کیلئے منتخب انڈر رائٹنگ سے کی جارہی ہے۔ کمپنی نے 2025 کے دوران اپنے برانچ نیٹ ورک کو 9 سے بڑھا کر 12 کر دیا ہے، جس سے جغرافیائی رسائی اور تقسیم کی صلاحیت میں اضافہ ہوا ہے۔

اپنی قائم شدہ مارکیٹ پوزیشن سے فائدہ اٹھاتے ہوئے اور جدید ٹیکنالوجیز، جن میں مصنوعی ذہانت اور انڈر رائٹنگ اور کلیمز مینجمنٹ میں ڈیٹا اینالیٹکس شامل ہیں، کو اپناتے ہوئے، کمپنی پاکستان کی بڑھتی ہوئی انشورنس مارکیٹ میں ابھرتے ہوئے مواقع سے فائدہ اٹھانے کیلئے بہترین پوزیشن میں ہے۔ ہماری ماہر افرادی قوت اور عملدرآمد کا ریکارڈ اس پیش رفت کا مرکزی حصہ رہیں گے کیونکہ ہم تنظیمی صلاحیت کو بڑھا رہے ہیں اور پائیدار ترقی اور آپریشنل عمدگی کیلئے ہدفی مارکیٹنگ اقدامات پر کام کر رہے ہیں۔

اگرچہ کمپنی کی جانب سے استعداد اور ٹیکنالوجی میں سرمایہ کاری کے باعث قلیل مدتی منافع کی شرح نسبتاً محدود رہ سکتی ہے، ہم مستحکم آمدنی میں توسیع کی توقع رکھتے ہیں۔ درمیانی اور طویل مدت میں، ہماری حکمتِ عملی اس طرح ترتیب دی گئی ہے کہ وسیع تر مصنوعات کی پیشکش، بہتر انڈر رائٹنگ نظم وضبط، اور موجودہ مضبوطیوں کو مزید بہتر بنا کر آمدنی اور منافع دونوں میں مسلسل اضافہ حاصل کیا جا سکے۔

ii) اسٹیک ہولڈر کی مصروفیت

الفا انشورنس میں، ہم تمام اسٹیک ہولڈرز کے ساتھ بامعنی اور دیرپا شراکت داریوں کو فروغ دینے کو ترجیح دیتے ہیں۔ تنوع اور شمولیت کے لیے ہماری وابستگی ہر اس کمیونٹی تک پھیلی ہوئی ہے جہاں ہم کام کرتے ہیں۔ ایک جامع کمیونٹی حکمتِ عملی کی رہنمائی میں، ہم مقامی اسٹیک ہولڈرز کے ساتھ فعال طور پر رابطہ رکھتے ہیں تاکہ اُن سماجی اور آبادیاتی عوامل سے باخبر رہیں جو ہمارے کاروباری ماحول کو تشکیل دیتے ہیں۔ اسٹیک ہولڈر انگیجمنٹ ہماری مسلسل کامیابی کا ایک اہم حصہ ہے، اور ہمارے کاروبار سے متاثر ہونے والے تمام گروہوں کے ساتھ شفاف اور باہمی تعاون پر مبنی تعلقات برقرار رکھ کر ہم ذمہ دار کارپوریٹ گورننس اور پائیدار طویل مدتی ترقی کے لیے اپنی وابستگی کو مضبوط کرتے ہیں۔

ری انشورنس

سال 2025 کیلئے ری انشورنس کے انتظامات 2024 کی آخری سہ ماہی میں کامیابی کے ساتھ مکمل کیے گئے۔ نتیجتاً، کمپنی کی انڈر رائٹنگ کی صلاحیت فائر، میرین، اور انجینئرنگ شعبوں کیلئے 1 ارب روپے تک ہے۔ کمپنی معتبر بین الاقوامی اور مقامی ری انشورزز کے ساتھ تعلقات برقرار رکھتی ہے، جو پالیسی ہولڈرز کیلئے مناسب رسک ٹرانسفر اور مالی تحفظ کو یقینی بناتے ہیں۔

امکانات اور وعدے

بورڈ کے پاس یہ یقین کرنے کیلئے کافی بنیادیں موجود ہیں کہ مالیاتی بیانات کے نوٹ 25 میں مذکور ہنگامی حالات کا حتمی نتیجہ کمپنی کے حق میں طے ہوگا۔ اسی وجہ سے، ان مالیاتی بیانات میں ان معاملات کے حوالے سے کوئی التواء شدہ رقم (پرووِیژن) شامل نہیں کی گئی ہے۔

اداشدہ سرمائے میں اضافہ

"سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے نان لائف انشورنس کمپنیوں کیلئے کم از کم اداشدہ سرمائے کی شرط پر نظر ثانی کی ہے، جس کے تحت 31 دسمبر 2026 تک 1.0 ارب روپے، 31 دسمبر 2028 تک 1.5 ارب روپے، اور 31 دسمبر 2030 تک 2.0 ارب روپے تک اضافہ لازمی قرار دیا گیا ہے۔ کمپنی کا موجودہ اداشدہ سرمایہ 500 ملین روپے ہے۔ بورڈ اور انتظامیہ مقررہ وقت کے اندر تعمیل کو یقینی بنانے کیلئے تمام دستیاب آپشنز کا فعال طور پر جائزہ لے رہے ہیں۔

ڈیویڈنڈ اور اختصاص

بورڈ آف ڈائریکٹرز نے 31 دسمبر 2025 کو ختم ہونے والے سال کیلئے منافع (ڈیویڈنڈ) جاری نہ کرنے کا فیصلہ کیا ہے۔ یہ فیصلہ بورڈ کی اس رائے کی عکاسی کرتا ہے کہ منافع کو برقرار رکھنا شیئر ہولڈرز کے طویل مدتی مفادات کے بہترین حق میں ہوگا، کیونکہ اس سے سرمایہ محفوظ رکھ کر منصوبہ بند ترقیاتی اقدامات کی مالی معاونت کی جا سکے گی، SECP کی کم از کم سرمایہ کی ضروریات سے پہلے کمپنی کی بیلنس شیٹ کو مضبوط بنایا جا سکے گا، اور درمیانی تا طویل مدت میں پائیدار کاروباری توسیع کی حمایت ہوگی۔

فی حصہ آمدنی

31 دسمبر 2025 کو ختم ہونے والے سال کے لیے فی شیئر آمدنی 0.45 روپے رہی (2024: 0.77 روپے)، جو 42 فیصد کمی ہے، جو بنیادی طور پر انڈر رائٹنگ کے کم نتائج اور زیادہ اخراجات کی وجہ سے ہے۔ سال کے دوران جاری شدہ حصص کی اوسط تعداد 50,000,000 تھی۔ انتظامیہ اس کمی کو عارضی سمجھتی ہے اور بحالی کے بارے میں پُر امید ہے کیونکہ اسٹریٹجک ترقیاتی اقدامات کو فروغ مل رہا ہے اور انڈر رائٹنگ پورٹ فولیو کو بہتر منافع کیلئے دوبارہ ترتیب دیا جا رہا ہے۔

آڈیٹرز

بورڈ آڈیٹرز کیلئے بھی اپنی مخلصانہ قدردانی کا اظہار کرتا ہے، ان کی پیشہ ورانہ مہارت اور کمپنی کے داخلی اور مالی کنٹرول نظام کو مضبوط بنانے میں ان کی قیمتی خدمات کو تسلیم کرتے ہوئے۔ ان کی مہارت اور رہنمائی بورڈ اور انتظامیہ دونوں کی معاونت میں اہم کردار ادا کرتی رہی ہے، اور ان کی خدمات کو بے حد قدر کی نگاہ سے دیکھا جاتا ہے۔

ڈائریکٹرز کی ذمہ داری کا اسٹیٹمنٹ

ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ ان کے بہترین علم اور یقین کے مطابق:

- مالیاتی گوشوارے جو کمپنی کی انتظامیہ نے تیار کئے ہیں ان کے کاروباری معاملات، ان کے آپریشنز کے نتائج، کیش فلوز اور ایکیوٹی میں تبدیلیوں کو منصفانہ طریقہ سے پیش کیا گیا ہے۔
- کمپنی کے حسابی کھاتوں کو باقاعدہ طور پر تیار کیا گیا ہے۔
- مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ اندازے معقول اور محتاط فیصلے پر مبنی ہیں۔
- پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS)، اور کمپنیز ایکٹ 2017، انشورنس آرڈیننس 2000، اور ایس ای سی (انشورنس) رولز 2017 کی دفعات کی پیروی کی گئی ہے۔ ان سے کسی بھی انحراف کی مناسب طور پر وضاحت کر دی گئی ہے۔
- اندرونی کنٹرول سسٹم کو بہتر بنایا گیا ہے اور یہ سینئر مینجمنٹ کیلئے مؤثر نگرانی اور کنٹرول فراہم کرتا ہے۔
- گوئنگ کنسرن کے طور پر جاری رکھنے کیلئے کمپنی کی صلاحیت پر شک کرنے کی کوئی بنیاد نہیں۔
- کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان 31 دسمبر 2025 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے ساتھ منسلک ہے۔

ڈائریکٹر کا معاوضہ

موجودہ قابلِ اطلاق ضوابط کے مطابق، کمپنی کی پالیسی یہ فراہم کرتی ہے کہ غیر انتظامی ڈائریکٹرز کو کوئی معاوضہ قابلِ ادائیگی نہیں ہوگا، جب تک کہ وہ بورڈ کے اجلاس میں شرکت نہ کریں، ایسی صورت میں کمپنی کے آئین اساس اور قابلِ اطلاق ریگولیٹری تقاضوں کے مطابق اجلاس کی فیس ادا کی جاتی ہے۔

بورڈ کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے دس (10) اجلاس منعقد ہوئے جن کی حاضری کی تفصیلات مندرجہ ذیل ہے:۔

	اجلاس کی تعداد کیلئے اہل	حاضر ہوئے
طارق اکرام	10	9
فیصل ممتاز *	8	6
محمد امجد	10	10
سید شاہ نواز نادر	10	10
ڈاکٹر لبنیٰ ایوب	10	9
محترمہ رفعت سلطانہ	10	10

*جناب فیصل ممتاز نے سال کے دوران استعفیٰ دے دیا اور اسی مناسبت سے وہ منعقد ہونے والے 10 میں سے 8 اجلاسوں کیلئے اہل تھے۔ بورڈ جناب فیصل ممتاز کی مدت کے دوران ان کی قابلِ ستائش خدمات کو ریکارڈ پر درج کرتے ہوئے اپنی تحسین کا اظہار کرتا ہے۔

بورڈ کمیٹیوں کے اجلاس

بورڈ کمیٹیوں کے اجلاس کی تفصیلات مندرجہ ذیل ہیں جو سال کے دوران منعقد ہوئے:۔

کمیٹی	منعقدہ اجلاس کی تعداد
آڈٹ کمیٹی	5
ایتھکس، ہیومن ریسورس، ریمیونیریشن، نومینیشن اینڈ پروکیورمیٹ کمیٹی	8
انوسٹمنٹ کمیٹی	2

مینجمنٹ کمیٹیوں کے اجلاس

مینجمنٹ کمیٹیوں کے اجلاس کی تفصیلات مندرجہ ذیل ہیں جو سال کے دوران منعقد ہوئے:۔

	منعقدہ اجلاس کی تعداد
انڈرائٹنگ، ری انشورنس اینڈ کوانشورنس کمیٹی	2
کلیمز سیٹلمنٹ کمیٹی	2
رسک مینجمنٹ، کمپلائنس اینڈ آئی ٹی اسٹیرنگ کمیٹی	2

پیٹرن آف شیئر ہولڈنگ

31 دسمبر 2025 تک شیئر ہولڈنگ کا پیٹرن، جیسا کہ کمپنیز ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس کے تحت درکار ہے، اس سالانہ رپورٹ میں علیحدہ طور پر پیش کیا گیا ہے۔ پیرنٹ ادارہ، اسٹیٹ لائف انشورنس کارپوریشن آف پاکستان، کمپنی کے جاری کردہ شیئر کیپیٹل کا 95.15 فیصد رکھتا ہے۔

چھ سالہ کلیدی ڈیٹا

کوڈ آف کارپوریٹ گورننس کے مطابق مطلوبہ کلیدی مالیاتی اعداد و شمار کا چھ سالہ خلاصہ اس سالانہ رپورٹ میں علیحدہ طور پر پیش کیا گیا ہے۔

اظہار تشکر

بورڈ کی جانب سے، ہم اپنے قابلِ قدر کلائنٹس کا مخلصانہ شکریہ ادا کرتے ہیں جنہوں نے اپنی رسک مینجمنٹ کی ضروریات کیلئے کمپنی پر اعتماد کیا۔ ہم اپنے شیئر ہولڈرز، اور خاص طور پر اسٹیٹ لائف انشورنس کارپوریشن آف پاکستان کا بھی دل کی گہرائیوں سے شکریہ ادا کرنا چاہتے ہیں، جن کی غیر متزلزل حمایت کمپنی کی ترقی اور استحکام کی بنیاد رہی ہے۔

ہم مزید سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، انشورنس ایسوسی ایشن آف پاکستان، اسٹیٹ بینک آف پاکستان، اور ہمارے غیر ملکی خط و کتابت کے اداروں اور ری انشورزز کی جانب سے فراہم کردہ قیمتی تعاون، رہنمائی اور مشورے کو بھی تسلیم کرتے ہیں۔

آخر میں، ہم 31 دسمبر 2025 کو ختم ہونے والے سال کے دوران ملک بھر میں اپنی مارکیٹنگ اور بیک آفس عملے کی لگن اور محنت کو سراہتے اور تسلیم کرتے ہیں۔ ان کی وابستگی کمپنی کی مسلسل پیشرفت اور تمام اسٹیک ہولڈرز کیلئے قدر کی فراہمی میں کلیدی حیثیت رکھتی ہے۔

ہم ایک اور سال کی مضبوطی، ترقی اور مشترکہ کامیابی کے منتظر ہیں۔

برائے اور منجانب بورڈ

ڈاکٹر سید عارف حسین
چیف ایگزیکٹیو آفیسر

طارق اکرام (SI)
چیئرمین

کراچی: ۱۹ اپریل ۲۰۲۶

Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 and Code of Corporate Governance for Insurers, 2016.

Name of company: **Alpha Insurance Comapny Limited**

For the year ended: **31 December 2025**

i. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules (the Rules), 2013 and the Code of Corporate Governance for Insurers, 2016 (CCG Insurers, 2016) (both herein referred to as 'Codes') issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance. In case where there is inconsistency with the CCG Insurers, 2016, the provisions of Public Sector Companies (Corporate Governance) Rules, 2013 ("Rules") shall prevail.

ii. The Company has complied with the provisions of the Rules in the following manner:

<table>
<tr><th rowspan="2">S. No.</th><th rowspan="2">Provision of the Rules</th><th rowspan="2">Rule no.</th><th>Y</th><th>N</th></tr>
<tr><th colspan="2">Tick the relevent box</th></tr>
<tr><td>1.</td><td>The independent directors meet the criteria of independence, as defined under Rules.</td><td>2(d)</td><td>✓</td><td></td></tr>
<tr><td>2.</td><td>The Board has the requisite percentage of independent directors.
At present, the Board includes:*
<table>
<tr><th>Category</th><th>Names</th><th>Date of Appointment</th></tr>
<tr><td>Independent Directors**</td><td>Mr. Tariq Ikram
Mrs. Rafat Sultana</td><td>September 25, 2023</td></tr>
<tr><td>Executive Directors</td><td>Dr. Syed Arif Hussain</td><td>January 01, 2025</td></tr>
<tr><td>Non Executive Directors</td><td>Mr. Faisal Mumtaz***
Muhammad Amjad
Dr. Lubna Ayub
Syed Shahnawaz Nadir Shah</td><td>September 25, 2023</td></tr>
<tr><td>Female Directors</td><td>Dr. Lubna Ayub
Ms. Rafat Sultana</td><td>September 25, 2023</td></tr>
</table>
*During the year, shareholders in their Extra Ordinary General Meeting held on 25th September 2023 appointed seven directors through election of directors on expiry of three years term 2023-26.
**In accordance with Rule 3(2) of the Public Sector Companies (Corporate Governance) Rules, 2013, the requirement is to have at least one-third of the members of the Board as independent directors. The current Board of Directors of the Company comprises seven members, one-third of which equates to 2.33. As the fractional value falls below 0.5, rounding up to one is not warranted, as two independent directors appointed, in terms of Section 166 of the Companies Act, 2017, possess the requisite competencies, knowledge, skills, and diversified experience essential for rendering independent decisions in the best interest of the Company.
***Mr. Faisal Mumtaz resigned from the Board of Directors w.e.f. 12.12.2025 whose casual vacancy has not been filled as at December 31, 2025.</td><td>3(2)</td><td>✓</td><td></td></tr>
<tr><td>3.</td><td>The directors have confirmed that none of them is serving as director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.</td><td>3(5)</td><td>✓</td><td></td></tr>
<tr><td>4.</td><td>The appointing authorities have applied the fit and proper criteria given in the Annexure to the Public Sector Companies (Corporate Governance) Rules, 2013, in making nominations of the persons for election as board members under the provisions of the Act.</td><td>3(7)</td><td>✓</td><td></td></tr>
<tr><td>5.</td><td>The chairman of the board is working separately from the chief executive of the Company.</td><td>4(1)</td><td>✓</td><td></td></tr>
</table>

S. No.	Provision of the Rules	Rule no.	Y	N
			Tick the relevent box	
6.	The chairman has been elected by the Board of Directors except where Chairman of the Board has been appointed by the Government.	4(4)	✓	
7.	The Board has evaluated the candidates for the position of chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission.	5(2)	✓	
8.	(a) The company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website.(www.alphainsurance.com.pk) (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5) (b) (ii)	✓	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5) (b) (vi)	✓	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5) (c) (ii)	✓	
13.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5) (c) (iii)	✓	
14.	The Board has developed a vision or mission statement and corporate strategy of the company.	5(6)	✓	
15.	The Board has developed significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓	
16.	The board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and have submitted its request for appropriate compensation to the Government for consideration.	5(8)	✓	
17.	The Board has ensured compliance with policy direction requirements received from the Government.	5(11)	✓	
18.	(a) The board has met at least four times during the year. (b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	✓ ✓ ✓	
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓	
20.	The board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓	
21.	(a) The Board has approved the profit and loss account for, and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end. (b) The Board has placed the annual financial statements on the company's website.	10	✓ ✓	
22.	All the board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as. specified in the Rules.	11	✓	

S. No.	Provision of the Rules	Rule no.	Y	N
			Tick the relevent box	
23.	(a) The board has formed the requisite committees, as specified in the Rules. (b) The committees were provided with written term of reference defining their duties, authority and composition. (c) The minutes of the meetings of the committees were circulated to all the board members. (d) The committees were chaired by the following non-executive directors: Committee | Number of Members | Name of Chair Audit Committee | Four | Ms. Rafat Sultana Risk Management Committee | Seven | Mr. Faisal Mumtaz* Human Resources Committee | Four | Dr. Lubna Ayub Procurement Committee | Four | Ms. Rafat Sultana Nomination Committee | Four | Dr. Lubna Ayub *Mr Faisal Mumtaz has resigned effective from December 12, 2025.	12	✓ ✓ ✓	
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor with their remuneration and terms and conditions of employment.	13	✓	
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓	
26.	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓	
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓	
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.	18	✓	
29.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his/her own remuneration. (b) The annual report of the company contains criteria and details of the remuneration of each director.	19	✓ ✓	
30.	The financial statements of the Company were duly endorsed by the chief executive and chief financial officer, before consideration and approval of the audit committee and the Board.	20	✓	
31.	The Board has formed an audit committee, with defined and written terms of reference, and having the following members: Name of Member | Category | Professional Background Dr. Lubna Ayub | Non-Executive Director | Ph.D. Sociology, Southern Illinois University, Carbondale IL. Dissertation Title: "Religion and Women's Status Attainment: A Comparative and Hierarchical Analysis."	21 (1) and 21(2)	✓ ✓	

S. No.	Provision of the Rules	Rule no.	Y	N
			Tick the relevent box	
	<table><tr><th>Name of Member</th><th>Category</th><th>Professional Background</th></tr><tr><td>Mr. Faisal Mumtaz</td><td>Non-Executive Director</td><td>M.A (Economics), Fellow of Society of Actuaries USA</td></tr><tr><td>Mr. Muhammad Amjad</td><td>Non-Executive Director</td><td>Fellow member of the ICMA International</td></tr><tr><td>Ms. Rafat Sultana</td><td>Non-Executive Director</td><td>Masters in Political Science Masters in Law</td></tr></table> *Mr Faisal Mumtaz has resigned effective from December 12, 2025. The Chief Executive and Chairman of the Board are not members of the audit committee.		✓	
32.	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed. (b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives. (c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.	21(3)	✓ ✓ ✓	
33.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. (b) The Chief Internal Auditor has five years of relevant Audit experience. (c) The internal audit reports have been provided to the external auditors for their review.	22	✓	
34.	The company has appointed its external auditors in line with the requirements envisaged under the Rules.	23	✓	
35.	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓	
36.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓	

Further disclosures as required under Code of Corporate Governance for Insurers, 2016:

Clause 2(5) of the Public Sector Companies (Corporate Governance Compliance) Guidelines, 2013 issued by the commission requires that any disclosure required under any other director, code, regulation or rules shall also be made in the statement of compliance, notwithstanding anything contained in the statement. Accordingly, below are the requirements of the Code of Corporate Governance for Insurers, 2016 (CCG Insurers, 2016);

1. The insurer ensures representation of independent non-executive directors and facilitates directors representing minority interests on its Board of Directors. At present, the Board includes:

Category	Names
Male Director	Mr. Tariq Ikram
Female Director	Ms. Rafat Sultana

All independent directors meet the criteria of independence as laid down under the Code of Corporate Governance for Insurers, 2016.

2. All the resident directors of the insurer 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.

3. Casual vacancies on the Board during the year were filled within ninety days by the directors, except for the position vacated by Mr. Muhammad Faisal Mumtaz on December 12, 2025, which remains unfilled till the year ended December 31, 2025.

4. The insurer has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance for Insurers, 2016.

5. The Board has reformed the following management committees after the Board of Directors election held on 25th September 2023:

Underwritig, Re-Insurance & Co-Insurance Committee:

Name of the member	Category
Dr. Lubna Ayub	Chairperson
Syed Shahnawaz Nadir	Member
Ms. Rafat Sultana	Member
Dr. Syed Arif Hussain- CEO	Member
Mr. Muhammad Rashid – CFO	Member
Khawaja Balighuddin – Head of Operation	Member & Secretary

Claims Settlement Committee:

Name of the member	Category
Mr. Muhammad Amjad	Chairman
Mr. Tariq Ikram	Member
Dr. Syed Arif Hussain- CEO	Member
Mr. Rana Javed – Head of Claims	Member & Secretary

Risk Management, Compliance and IT Steering Committee

Name of the member	Category
Mr. Faisal Mumtaz	Chairman
Mr. Tariq Ikram	Member
Dr. Lubna Ayub	Member
Dr. Syed Arif Hussain - CEO	Member
Mr. Muhammad Rashid - CFO	Member
Mr. Umair Sattar - Head of IT	Member
Mr. Ahsan Zafar - Head of Compliance	Member & Secretary

The Board has reformed the following Board Committees under CCG Insurers, 2016 after the Board of Directors election held on 25th September 2023:

Ethics, Human Resource, Remuneration and Nomination Committee:

Name of the member	Category
Dr. Lubna Ayub	Chairperson
Mr. Tariq Ikram	Member
Mr. Muhammad Amjad	Member
Dr. Syed Arif Hussain - CEO	Member
Mr. Liaqut Ali Qamar - Head HR & Admin	Secretary

Investment Committee:

Name of the member	Category
Syed Shahnawaz Nadir	Chairman
Mr. Tariq Ikram	Member
Ms. Rafat Sultana	Member
Dr. Syed Arif Hussain - CEO	Member
Mr. Muhammad Rashid - CFO	Member & Secretary

The Board has formed an Audit, Procurement and Legal Committee. It comprises of four members, of whom one is an independent director and three are non-executive directors. The chairperson of the Committee is an independent director. The composition of the Audit Committee is as follows:

Audit, Procurement and Legal Committee:

Name of the member	Category
Ms. Rafat Sultana	Chairperson
Dr. Lubna Ayub	Member
Mr. Faisal Mumtaz*	Member
Mr. Muhammad Amjad	Member
Head of Internal Audit	Secretary

*Mr. Faisal Mumtaz has resigned as a director effective from December 12, 2025.

6. The terms of reference of the Committees have been formed and advised to the Committees for compliance. The frequency of meetings of the Committees were as follows:

Committee	Frequency
Ethics, Human Resource, Remuneration, Nomination and Procurement Committee	Twice a year
Investment Committee	Twice a year
Audit, Procurement and Legal Committee	Quarterly
Underwriting, Re-insurance & Co-insurance Committee	Twice a year
Claim Settlement Committee	Twice a year
Risk Management, Compliance & I.T Steering Committee	Twice a year

7. The Board has set up an effective internal audit function through competent personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the insurer and they are involved in the internal audit function on a regular basis.

8. The Chief Executive officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under CCG Insurers, 2016.The Appointed Actuary of the insurer (if any) also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, and reinsurance 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 the Person	Designation
Dr. Syed Arif Hussain	Chief Executive Officer
Mr. Muhammad Rashid	Chief Financial Officer
Mr. Muhammad Rashid	Company Secretary
Mr. Umar Sattar Abro	Head of IT
Mr. Muhammad Shahbaz Khan	Head of Internal Audit
Mr. Khawaja Balighuddin	Head Operation
Mr. Muhammad Adeel Khan	Head of Re-insurance
Mr. Muhammad Adeel Khan	Head of Underwriting
Mr. Rana Javed	Head of Claims
Mr. Jawad Yousuf	Head of Takaful
Mr. Liaqut Ali Qamar	Head of HR & Admin and Legal
Mr. Akhtar Hussain	Actuary
Mr. Ahsan Zafar	Head of Compliance

Following changes in the appointments were made during the reporting period

Name of outgoing employee	Name of incoming employee	Designation	Reason of change in appointment
Mr. Muhammad Nadir	Mr. Jawad Yousuf	Head of Takaful	Relieved fro Additional Charge upon new appointment
Mr. Umair Sattar Abro	Mr. Ahsan Zafar	Head of Compliance	Relieved from Additional Charge upon new appointment
Mr. Liaqut Ali Qamar	Mr. Umair Sattar Abro	Head of I. T	Reshuffled the additional charge within the organization

9. 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 of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.

10. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.

11. The Board ensures that the investment policy of the insurer is drawn up in accordance with the provisions of the CCG Insurers, 2016.

12. The Board ensures that the risk management function of the company is in place as per the requirements of the CCG Insurers, 2016.

13. The insurer has set up a risk management function, which carries out its tasks as covered under the Code of Corporate Governance for Insurers, 2016.

14. The Board ensures that as part of the risk management system, the insurer gets itself rated from VIS – Pakistan (credit rating agency) duly licensed by the Commission, which is being used by its risk management function/department and the respective Committee as a risk monitoring tool. The rating reaffirmed by the said rating agency on May 14, 2025, is "A+" with a "Stable" outlook.

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

CHIEF EXECUTIVE OFFICER

CHAIRMAN

BDO

Tel: +92 21 3568 3030
Fax: + 92 21 35684239
www.bdo.com.pk

2nd Floor, Block C
Lakson Square, Building No. 1
Sarwar Shaheed Road
Karachi-74200
Pakistan

Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 and Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance for Insurers, 2016 and the Public Sector Companies (Corporate Governance) Rules, 2013 (combined called 'the Codes') prepared by the Board of Directors of Alpha Insurance Company Limited ("the Company") for the year ended December 31, 2025 in accordance with the requirements of the provision xxvi of the Code of Corporate Governance for Insurers, 2016.

The responsibility for compliance with the Codes is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Codes and report if it does not and to any non-compliance with the requirements of the Codes. 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 Codes.

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 Codes 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 distinguishing between transactions carried out on terms equivalent to those that prevail[in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Codes as applicable to the Company for the year ended December 31, 2025.

BDO Ebrahim

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Nadeem
BDO Ebrahim & Co. Chartered Accountants

KARACHI
DATED : 29 April, 2026
UDIN: CR2025101107Xel0Ezav

BDO Ebrahim & Co. Chartered Accountants
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BDO

Tel: +92 21 3568 3030
Fax: + 92 21 35684239
www.bdo.com.pk

2nd Floor, Block C
Lakson Square, Building No. 1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHA INSURANCE COMPANY LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2025 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Insurance

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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 cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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.

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Report on Other Legal and Regulatory Requirements

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

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

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

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and;

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other matter

The financial statements of the Company for the year ended December 31, 2024 were audited by another firm of chartered accountants who expressed an unmodified opinion on those statements vide their report dated May 21, 2025.

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

KARACHI

DATED: April 29, 2026
UDIN: AR202510110J9VM3jeON

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CHARTERED ACCOUNTANTS

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Statement of Financial Position

As at December 31, 2025

	Note	December 2025	December 2024	January 01 2024
		(Rupees)		
ASSETS				
Property and equipment	6	21,001,306	25,457,155	17,610,267
Intangible assets	7	237,233	474,405	315,773
Investments				
Equity securities	8	215,942,651	261,746,818	165,355,174
Debt securities	9	711,660,000	587,250,012	298,554,200
Mutual funds	10	5,133,873	-	-
Loans and other receivables	11	48,694,171	75,311,758	17,192,556
Insurance / Reinsurance receivables	12	179,247,514	192,822,757	137,546,331
Reinsurance recoveries against outstanding claims	27	226,867,270	122,581,102	101,275,592
Deferred commission expense	28	22,652,069	26,541,209	24,951,808
Deferred taxation - net		-	-	1,059,927
Taxation - payment less provisions	15	89,754,339	88,012,879	79,230,408
Prepayments	16	66,165,100	59,192,450	47,285,919
Bank deposits held as Cash Margin	17	86,772,216	45,616,509	38,141,715
Cash and bank	18	36,724,835	99,403,200	277,225,911
		1,710,852,577	1,584,410,254	1,205,745,580
Total Assets of Window Takaful Operations - Operator's Fund	19	141,042,212	81,318,308	65,196,853
Total Assets of Window Takaful Operations - Participants' Takaful Fund	3 & 19	174,845,067	79,001,424	35,056,640
TOTAL ASSETS		2,026,739,856	1,744,729,986	1,305,999,073
EQUITY AND LIABILITIES				
Capital and reserves attributable to Company's equity holders				
Ordinary share capital	20	500,000,000	500,000,000	500,000,000
Reserves	21	119,055,568	132,521,921	61,726,567
Unappropriated profit		216,889,905	194,333,914	156,412,774
TOTAL EQUITY		835,945,473	826,855,835	718,139,341
LIABILITIES				
Underwriting provisions				
Outstanding claims including IBNR	27	411,076,440	280,599,160	216,793,824
Unearned premium reserves	26	127,600,069	151,064,657	116,171,934
Premium deficiency reserves		99,753	15,049,884	5,215,362
Unearned Reinsurance Commission	28	5,962,242	4,964,011	1,291,035
		544,738,504	451,677,712	339,472,155
Retirement benefit	13	1,875,582	1,366,694	-
Premium received in advance		14,540,215	55,395,617	13,577,864
Lease Liabilities	22	10,313,915	12,305,453	14,143,552
Insurance / Reinsurance Payables	23	229,411,822	164,136,155	92,049,713
Other creditors and accruals	24	113,550,399	94,240,621	78,244,732
Unclaimed dividend		3,001,450	3,001,450	3,001,450
Deferred tax - net	14	21,888,694	33,100,963	-
		394,582,077	363,546,953	201,017,311
Total Liabilities of Window Takaful Operations - Operator's Fund	19	76,628,735	23,648,062	12,313,626
Total liabilities of Window Takaful Operations - Participants' Takaful Fund	19	174,845,067	79,001,424	35,056,640
TOTAL LIABILITIES		1,190,794,383	917,874,151	587,859,732
TOTAL EQUITY AND LIABILITIES		2,026,739,856	1,744,729,986	1,305,999,073
CONTINGENCIES AND COMMITMENTS	25			

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

Chief Executive Officer | Director | Director | Chairman

PROFIT AND LOSS ACCOUNT

for the year ended December 31, 2025

	Note	2025	2024
		---------- (Rupees)	----------
Net insurance premium	26	329,146,246	369,971,282
Net insurance claims	27	(222,004,222)	(226,208,498)
Premium deficiency		14,950,131	(9,834,522)
Net commission and other acquisition costs	28	(71,705,131)	(94,236,325)
Insurance claims and acquisition expense		(278,759,222)	(330,279,345)
Management expenses	29	(185,324,919)	(167,571,288)
Underwriting results		(134,937,895)	(127,879,351)
Investment income	30	167,841,827	159,373,020
Other income	31	19,729,770	28,697,384
Other expenses	32	(24,479,334)	(8,675,550)
		163,092,263	179,394,854
Results of operating activities		28,154,368	51,515,503
Finance costs		(3,024,942)	(3,178,381)
Total profit from operations		25,129,426	48,337,122
Profit before tax from window takaful operations - OPF	34	9,497,509	6,742,280
Profit before income tax		34,626,935	55,079,402
Income tax	35	(12,220,089)	(16,481,911)
Profit after income tax		22,406,846	38,597,491
Earnings per share - basic and diluted- Rupees	36	0.45	0.77

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

Chief Executive Officer | Director | Director | Chairman

CASH FLOW STATEMENT

for the year ended December 31, 2025

	Note	2025	2024
		---------- (Rupees)	----------
Operating Cash flows			
a) Underwriting activities			
Insurance premiums received		471,757,898	591,371,955
Reinsurance premium paid		(148,282,617)	(144,765,271)
Claims paid		(270,887,421)	(213,851,198)
Reinsurance and other recoveries received		75,074,311	30,142,526
Commission paid		(85,203,872)	(87,446,463)
Commission received		14,396,820	8,189,285
Management expenses paid		(148,254,772)	(154,025,196)
Net cash (used in) / flow from underwriting activities		(91,399,653)	29,615,638
b) Other operating activities			
Income tax paid		(19,734,397)	(19,743,652)
Other operating payments		(24,479,334)	(8,675,550)
Other operating receipts		62,892,062	(50,711,771)
Deposits (Held as Cash Margin)		(41,155,707)	(7,474,794)
Net recipts / (payment) to Window Takaful Operation		(9,914,992)	(1,455,721)
Loans and advanced recovered		(525,439)	(316,559)
Net cash (used in) other operating activities		(32,917,807)	(88,378,047)
Total cash (used in) all operating activities		(124,317,460)	(58,762,409)
Investment activities			
Profit / return received		118,122,771	88,501,185
Dividend received	30	20,252,172	17,776,076
Payment for investments made		(678,022,224)	(768,959,330)
Proceeds from investments disposed		607,957,385	560,231,932
Fixed capital expenditure	6	(1,654,529)	(12,451,935)
Fixed capital expenditure - intangibles	6	-	(341,750)
Proceeds from sale of property and equipment	31	-	1,200,000
Total cash generate from / (used in) investing activities		66,655,575	(114,043,822)
Financing activities			
Lease payments		(5,016,480)	(5,016,480)
Total cash used in financing activities		(5,016,480)	(5,016,480)
Net cash used in all activities		(62,678,365)	(177,822,711)
Cash and cash equivalents at beginning of the year		99,403,200	277,225,911
Cash and cash equivalents at end of the year	18	36,724,835	99,403,200

CASH FLOW STATEMENT

for the year ended December 31, 2025

		2025	2024
		---------- (Rupees)	----------
Reconciliation to Profit and Loss Account			
Operating cash flows		(124,317,460)	(58,762,409)
Depreciation expense	6	(6,110,378)	(4,605,047)
Amortisation	6	(237,172)	(183,118)
Profit on disposal of property and equipment	31	-	1,200,000
Other income	31	19,729,770	19,777,390
Finance costs		(3,024,942)	(3,178,381)
Dividend income		20,252,172	17,776,076
Other Investment Income		147,589,655	141,596,944
Increase / (decrease) in assets other than cash		147,803,392	211,931,163
(Increase) / decrease in liabilities other than borrowing		(179,278,191)	(286,955,127)
(Increase) / decrease in assets-PTF		(95,843,643)	(43,944,784)
Increase / (decrease) in liabilities and funds-PTF		95,843,643	43,944,784
Profit after taxation		22,406,846	38,597,491

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

Chief Executive Officer | Director | Director | Chairman

STATEMENT OF COMPREHENSIVE INCOME

for the year ended December 31, 2025

		2025	2024
		---------- (Rupees)	----------
Profit after income tax		22,406,846	38,597,491
Other comprehensive income:			
Items that will be subsequently reclassified to profit and loss account:			
Unrealized gain on available-for-sale investments	40	49,674,293	106,976,472
Realized loss transerred to profit and loss account		(68,640,986)	(7,264,702)
Related deferred tax		5,500,339	(28,916,416)
		(13,466,354)	70,795,354
Items that are not subsequently reclassified to profit and loss account:			
Re-measurement gain / (loss) on defined benefit obligations		210,064	(952,607)
Related deferred tax		(60,919)	276,256
		149,145	(676,351)
Other comprehensive (loss) / income for the year		(13,317,208)	70,119,003
Total comprehensive income for the year		9,089,638	108,716,494

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

Chief Executive Officer | Director | Director | Chairman

STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2025

Attributable to equity holders of the Company

	Share Capital	Reserves					
		Capital reserve	Revenue reserve				
	Issued, subscribed and paid-up	Reserve for exceptional losses	General reserve	Avaiable for sale investments	Unappropriated profit	Total reserves	Total equity
	(Rupees)						
Balance as at January 01, 2024	500,000,000	3,355,000	6,820,000	51,551,567	156,412,774	218,139,341	718,139,341
Total comprehensive income for the year							
Profit for the year	-	-	-	-	38,597,491	38,597,491	38,597,491
Other comprehensive income	-	-	-	70,795,354	(676,351)	70,119,003	70,119,003
	-	-	-	70,795,354	37,921,140	108,716,494	108,716,494
Balance as at December 31, 2024	500,000,000	3,355,000	6,820,000	122,346,921	194,333,914	326,855,835	826,855,835
Total comprehensive income for the year							
Profit for the year	-	-	-	-	22,406,846	22,406,846	22,406,846
Other comprehensive loss	-	-	-	(13,466,353)	149,145	(13,317,208)	(13,317,208)
	-	-	-	(13,466,353)	22,555,991	9,089,638	9,089,638
Balance as at December 31, 2025	500,000,000	3,355,000	6,820,000	108,880,568	216,889,905	335,945,473	835,945,473

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

Chief Executive Officer | Director | Director | Chairman

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

Alpha Insurance Company Limited ("the Company") was incorporated in Pakistan on December 24, 1951 under the Indian Companies Act VII of 1913 as a public limited company and registered as a non-life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. The Company is engaged in providing non-life insurance business comprising fire, marine, motor, health, credit and suretyship and miscellaneous. The Company commenced its commercial operations on January 23, 1952.

The Company was granted authorization on November 21, 2022 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on January 11, 2023.

The Company has 12 (December 31, 2024: 9) branches in Pakistan. The parent entity of the Company is State Life Insurance Corporation of Pakistan holding 95.15% (December 31, 2024 95.15%) shares of the Company.

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

Head office - Registered Office

4th Floor, Building # 1-B, State Life Square, Off. I.I. Chundrigar Road, Karachi, Province of Sindh, Pakistan.

Branches:

i) **Province of Punjab, Pakistan:**
- 4th Floor-Bank Square, 'Shahrah-e-Quaid-e-Azam, the Mall, Lahore.
- 6th Floor, 'State Life Building, Liaquat Road, Faisalabad.
- 1st floor, Room 1 & 2, Hajvairee Arcade, Kutchery Road, Multan.

ii) **Province of Sindh, Pakistan:**
- Office.406, 4th Floor, Business and Finance Center, Opp. State Bank of Pakistan, Karachi- Main Branch.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Karachi- North Branch.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Karachi- South Unit.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Karachi- South Division.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Karachi-Eastern Branch.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Corporate Branch.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Central Branch.

iii) **Islamabad Capital Territory:**
- Ground Floor, State Life Building # 5, China Chowk, Jinnah Avenue Blue Area, Islamabad branch.
- Ground Floor, State Life Building # 5, China Chowk, Jinnah Avenue Blue Area-Blue area branch.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as 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, SECP Takaful Rules, 2012 and General Takaful Accounting Regulations, 2019.

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

  The Securities and Exchange Commission of Pakistan (SECP) wide the Insurance Rules, 2017 dated February 9, 2017 has prescribed the format of presentation of annual financial statements for general insurance companies. These financial statements have been prepared in accordance with the format prescribed by the SECP.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for investments classified as available for sale that have been carried at fair value, right-of-use assets and their related lease liability and defined benefits obligations which are measured at their present value.

2.3 Functional and presentation currency

The financial statements are presented in Pak Rupees (Rupees or 'Rs'), which is the Company's functional and presentation currency. Figures have been rounded off to the nearest rupees.

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

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

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements.

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

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

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

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 'Presentation and Disclosures in Financial Statements'	January 01, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 01, 2027

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

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

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit and loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. Fair value measurement of financial instruments as at December 31, 2025 is presented in note 43 of these financial statements.

2.4.3 Temporary exemption from IFRS 17

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

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

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase approach towards implementation of IFRS 17 “Insurance Contracts” out of which three phases are completed as at reporting date.

IFRS 9 - Financial Instruments

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

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

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

b) all other financial assets:

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

	31 December 2025				
	Fail the SPPI test		Pass the SPPI test		
	Fair value	Change in unrealized gain during the year	Carrying value	Cost less Impairment	Change in unrealized gain during the year
	(Rupees)				
Financial assets					
Investments					
- Equity securities - available for sale	215,942,651	(18,966,689)	215,942,651	-	-
Loan and other receivables*	48,694,171	-	48,694,171	-	-
Cash and bank *	36,724,835	-	36,724,835	-	-
TOTAL	301,361,657	(18,966,689)	301,361,657	-	-

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

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

3. RESTATEMENTS

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

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

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

(b)the incomes and expenses of the conventional operations shall be consolidated with the incomes and expenses of the window general takaful operations (i.e. OPF and PTF) in the profit and loss account or the statement of comprehensive income, as the case may be, of the insurer:

(c) supporting notes to the financial statements shall provide complete breakup of conventional and window takaful operations and the statement of financial position and the profit and loss account or the statement of comprehensive income, as the case may be, shall in footnote state that for breakup of conventional and window takaful operations, detailed notes to the financial statements may be referred; and

(d) segment disclosures for General Takaful Operations in accordance with the requirements of IFRS 8 – Operating Segments, shall be included in the published financial statements.

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

3.2 CLASSIFICATION OF BANK DEPOSITS HELD AS MARGIN

Up to December 2024, the Company had classified amount of bank deposits held as margin against performance / bond policies as cash and bank considering that these deposits met the definition of 'cash' as per IAS 7 'Statement of Cash Flows'. However, Credit and Suretyship (Conduct of Business) Rules, 2018 requires that the collateral / deposits shall be held in trust and shall be recorded as liability of that insurer until guarantee / bond is either called (i.e. claim is lodged) or the underlying guarantee / bond expires, therefore, deposits that cannot be accessed on demand should have been presented in statement of financial position as other financial assets. Accordingly, bank deposits held as margin against performance / bond policies have been reclassified from "Cash and bank" to "Bank deposits held as margin" in the statement of financial position.

3.3 Effect of changes

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

	Had there been no restatement	Impact of restatement	After incorporating effect of restatement
	---------- Rupees ----------		
As at December 31, 2024			
Effect on statement of financial position (Conventional):			
Total assets	1,665,728,562	79,001,424	1,744,729,986
Total equity and liabilities	1,665,728,562	79,001,424	1,744,729,986
Bank deposits held as margin	-	45,616,509	45,616,509
Cash and bank	145,019,709	(45,616,509)	99,403,200
As at January 1, 2024			
Effect on statement of financial position (Conventional):			
Total assets of WTO - PTF	1,270,942,433	35,056,640	1,305,999,073
Total liabilities and fund of WTO - PTF	1,270,942,433	35,056,640	1,305,999,073
Bank deposits held as margin	-	38,141,715	38,141,715
Cash and bank	315,367,626	(38,141,715)	277,225,911
As at December 31,2024			
Effect on cash flow statement (Conventional):			
Increase in assets of WTO - PTF	-	(43,944,784)	(43,944,784)
Increase in liabilities and fund of WTO - PTF	-	43,944,784	43,944,784

The above change has no effect on profit and loss account, statement of comprehensive income, and statement of changes in equity in prior year.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements have been consistently applied to all the periods presented, with the exception of note 3.1 to these financial statements.

4.1 Property and equipment

4.1.1 Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Historical cost includes expenditure that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance expenditure is charged to the profit and loss account as and when these are incurred. Depreciation is charged to the profit and loss account using the straight line method whereby the depreciable amount of an asset is written off over the estimated useful life in accordance with the rates specified in note 6 to the financial statements. The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged on additions from the month of acquisition and on disposals up to the month of disposal.

An item of operating assets is derecognised upon disposal and when no economic benefits are expected from its use or disposal. Gains or losses on disposal of tangible assets are taken to the profit and loss account in the period in which disposals are made.

4.1.2 Right of use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle. and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line basis over the lease term. The right-of-use assets is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

The profit or loss on disposal or termination of an asset represented by the difference between the remaining lease liability and the carrying amount of the asset is recognized as other operating income or expense.

4.2 Intangible assets

Intangible assets having finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. These are amortised using the straight line method over their estimated useful lives. The useful lives and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains or losses on disposal of intangible assets are taken to the profit and loss account in the period in which disposals are made.

4.3 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such an evidence

exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of the value in use and fair value less cost to sell. Impairment losses are recognized in the statement of profit and loss.

4.4 Investments

4.4.1 Classification and Recognition

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

4.4.2 Measurement

Investments are recognized and classified as follows:

4.4.2.1 Held-for-trading

Investments which are acquired principaly for the purposes of generating profit from short term fluctuation in price are classified as held-for-trading. subsequent to initial recognition, these are remeasured at fair value. Gains or losses on investments on remeasurement of these investments are recognized in profit and loss account.

4.4.2.2 Held-to-maturity

Investments with fixed or determinable payments and fixed maturity where the Company has positive intent and ability to hold to maturity are classi?ed as held-to-maturity subsequently, these are measured at amortized cost using the effective interest method and taking any discount or premium on acquisition.

4.4.2.3 Available-for-sale

Investments which are not eligible to be classified as at fair value through profit or loss or held to maturity are classified as 'available-for-sale'.

Subsequent to initial recognition, these investments are remeasured at fair value. Gains or losses on remeasurement of these investments are recognised in the statement of comprehensive income.

Unquoted investments are recognised at fair value of the consideration paid less accumulated impairment losses, if any.

4.4.2.4 Fair value measurements

The fair value of investments in listed equity securities is determined by reference to the Pakistan Stock Exchange's quoted market prices at the close of period end.

The fair value of investments in mutual funds is determined by reference to the net asset values as published by Mutual Funds Association of Pakistan at year end.

The fair value of investments in Government securities is determined by reference to the quotations obtained from the PKRV rate sheet on the Mutual Funds Association of Pakistan's website.

4.4.2.5 Recognition / de-recognition of investments

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

4.4.2.6 Impairment of financial assets

The management assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets is impaired. The carrying value of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available-for-sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available-for-sale equity securities, the cumulative loss previously recognised in the statement of comprehensive income is removed there from and included in the profit and loss account.

4.5 Financial Instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and are derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. At the time of initial recognition all financial assets and financial liabilities are measured at cost, which is the fair value of the consideration given or received for it. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the profit and loss account in the period in which financial instrument is derecognised.

4.6 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.7 Insurance contracts

Insurance contracts are those contracts where the Company has accepted significant insurance risk from the insurance contract holders agree to compensate the insurance contract holder on the occurrence of a specified uncertain future event (the insured event) that adversely affects the insurance contract holder under the terms and conditions of the contract. Insurance contracts issued by the Company are generally classified in four basic categories i.e. fire and property damage, marine, aviation and transport, motor and miscellaneous.

Contracts are issued to multiple types of clients with business in engineering, automobiles, cement, power, textile, paper, agriculture, services and trading sectors etc. and individuals as well. The tenure of these insurance contracts depends upon terms of the policies written and varies accordingly. Nonetheless, once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

The classification of an insurance contract / policy into the aforementioned categories is based on management's judgment regarding the incident / cause of loss effecting the majority of asset(s) insured under the insurance contract. The Company performs its segment reporting activities based on the classifications of insurance contracts made, as disclosed in note 40 to these financial statements.

a) Fire and property damage;

i) Insurance risks and events insured

Insurance is provided to the insurance contract holders against damages caused by fire, earthquake, riot and strike, explosion, atmospheric disturbance, flood, electric fluctuation and impact and burglary etc. and loss of profit followed by the incident of fire. These insurance contracts are normally availed by commercial organizations, however are available to both commercial organizations and individuals.

ii) Revenue recognition policy

Premium income including administrative surcharge is recognized over the period of insurance from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct insurance business, premium is recognized evenly over the period of the policy and for proportional reinsurance business, evenly over the period of underlying insurance policies. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. Premiums for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross premium underwritten is adjusted against the unearned premium reserves / liabilities existing at each reporting date to determine the net premium underwritten during the year.

Revenue from premium is determined after taking into account the unearned portion of premium. The unearned portion of premium income is recognised as a liability.

In addition to direct insurance, at times the Company also participates in risks under coinsurance from other companies and also accepts risks through reinsurance inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Company. Premium recognized against coinsurance policies is limited to the share of the Company only. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

Administrative surcharge represents documentation and other charges recovered by the Company from insurance contract holder in respect of policies issued, at the rate of 5% of the gross premium written restricted to a maximum of Rs. 2,000 per policy.

iii) Claims recognition

Claim liability against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the insurance contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under IBNR and expected claims settlement costs.

b) Marine, aviation and transport;

i) Insurance risks and events insured

Insurance is provided to the insurance contract holders against loss of or damage to cargo while in transit to and from foreign lands and inland transit due to various insured perils including loss of or damage to carrying vessel etc. This product is normally provided to commercial organizations. These insurance contracts are normally availed by commercial organizations, however are available to both commercial organizations and individuals.

ii) Revenue recognition policy

Premium income including administrative surcharge is recognized over the period of insurance from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct insurance business, premium is recognized evenly over the period of the policy and for proportional reinsurance business, evenly over the period of underlying insurance policies. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. Premiums for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross premium underwritten is adjusted against the unearned premium reserves / liabilities existing at each reporting date to determine the net premium underwritten during the year.

Revenue from premium is determined after taking into account the unearned portion of premium. The unearned portion of premium income is recognised as a liability .

In addition to direct insurance, at times the Company also participates in risks under coinsurance from other companies and also accepts risks through reinsurance inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Company. Premium recognized against coinsurance policies is limited to the share of the Company only. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

Administrative surcharge represents documentation and other charges recovered by the Company from insurance contract holder in respect of policies issued, at the rate of 5% of the gross premium written restricted to a maximum of Rs. 2,000 per policy.

iii) Claims recognition

Claim against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the insurance contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under IBNR and expected claims settlement costs.

c) Motor

i) Insurance risks and events insured

Insurance is provided to the assets of the insurance contract holders against accidental damage to or loss of insured vehicle including loss of or damage to third party and other comprehensive car coverage. This product is normally provided to individual customers. These insurance contracts are normally availed by commercial organizations, however are available to both commercial organizations and individuals.

ii) Revenue recognition policy

Premium income including administrative surcharge is recognized over the period of insurance from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct insurance business, premium is recognized evenly over the period of the policy and for proportional reinsurance business, evenly over the period of underlying insurance policies. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. Premiums for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross premium underwritten is adjusted against the unearned premium reserves / liabilities existing at each reporting date to determine the net premium underwritten during the year.

Revenue from premium is determined after taking into account the unearned portion of premium. The unearned portion of premium income is recognised as a liability .

In addition to direct insurance, at times the Company also participates in risks under coinsurance from other companies and also accepts risks through reinsurance inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Company. Premium recognized against coinsurance policies is limited to the share of the Company only. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

Administrative surcharge represents documentation and other charges recovered by the Company from insurance contract holder in respect of policies issued, at the rate of 5% of the gross premium written restricted to a maximum of Rs. 2,000 per policy.

iii) Claims recognition

Claim against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the insurance contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under IBNR and expected claims settlement costs.

d) Miscellaneous

i) Insurance risks and events insured

Insurance is provided to the assets of insurance contract holders against damage / loss occurring due to burglary, loss of cash in safe, cash in transit and cash on counter, health, travel and crop etc. As per guidance of Insurance Accounting Regulations, 2017 amounts constituting less than 10% of the gross premium revenue are clubbed together under this class of insurance contract. Normally personal insurance contracts e.g. vehicle, travel, personal accident, etc. are provided to individual customers, whereas, insurance contracts of loss of cash in safe, cash in transit and cash on counter and health are provided to commercial organizations.

ii) Revenue recognition policy

Premium income including administrative surcharge is recognized over the period of insurance from the date of the issue of the policy / cover note to which it relates, to its expiry. For direct insurance business, premium is recognized evenly over the period of the policy and for proportional reinsurance business, evenly over the period of underlying insurance policies. Where the pattern of incidence of risk varies over the period of the policy, premium is recognized as revenue in accordance with the pattern of the incidence of risk. Premiums for policies receivable in installments are recognized as receivable at the inception of the policy and is recognized as income over the period of the policy. The gross premium underwritten is adjusted against the unearned premium reserves / liabilities existing at each reporting date to determine the net premium underwritten during the year.

Revenue from premium is determined after taking into account the unearned portion of premium. The unearned portion of premium income is recognised as a liability .

In addition to direct insurance, at times the Company also participates in risks under coinsurance from other companies and also accepts risks through reinsurance inward by way of facultative acceptances on case to case basis provided such risks are within the underwriting policies of the Company. Premium recognized against coinsurance policies is limited to the share of the Company only. The nature of the risks undertaken under such arrangement is consistent with the risks in each class of business as stated above.

Administrative surcharge represents documentation and other charges recovered by the Company from insurance contract holder in respect of policies issued, at the rate of 5% of the gross premium written restricted to a maximum of Rs. 2,000 per policy.

iii) Claims recognition

Claim against losses incurred are recognized at the time of the incident giving rise to the claim, except otherwise expressly indicated in the insurance contract. A claim generally includes the loss resulting from the incident, along with claim handling costs that are directly related to the processing / settling the claims, net of any salvage recoveries and any adjustments to claims outstanding from previous years. In addition to reported claims, the liability also includes provisions made under IBNR and expected claims settlement costs.

Detailed accounting policies for recording and measurement of reinsurance contracts held, receivables / payables related to insurance contracts and provision for outstanding claims including Incurred But Not Reported (IBNR) are mentioned in note 4.12 and 4.21 respectively.

4.8 Commission

4.8.1 Deferred commission expense / Acquisition Cost

Commission expense and costs incurred in obtaining and recording policies are deferred and recognised as an asset and are recognised in the profit and loss account as expenses in accordance with the pattern of recognition of premium income.

4.8.2 Unearned Commission income

Commission income from reinsurers is recognised at the time of issuance of the underlying insurance policy by the Company. This income is deferred and brought to account as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates.

4.9 Premium

Premium received / receivables under a policy is recognised as written from the date of attachment of the policy to which it relates. Premium income under a policy for direct businesses is recognised over the period of insurance from inception to expiry evenly over the period of the policy.

Premium income also includes administrative surcharge that represents documentation and other charges recovered by the Company from policy holders in respect of policies issued, at the rate of 5% of the premium written restricted to a maximum of Rs. 2,000 per policy. Administrative surcharge is recognised as premium at the time the policies are written.

Receivables 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 recognises that impairment loss in the profit and loss account.

4.10 Unearned premium reserve

The portion of premium written relating to the unexpired period of coverage is recognized as unearned premium by the Company. The unearned portion of premium income is recognized as a liability. Provision for unearned premium is calculated by applying 1/365 days method.

4.11 Premium deficiency reserve

The cumulative unearned premium reserve for any classes of business is not adequate to meet the expected future liability, after reinsurance, from claims and other supplementary expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after the reporting date in respect of policies in that class of business in force at the reporting date, a premium deficiency reserve is recognised as a liability to meet the deficit. The movement in premium deficiency reserve is recorded as an expense / income in the profit and loss account for the year.

For this purpose, loss ratios for each class are estimated based on historical claims development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. Further, actuarial valuation has been carried out to determine the amount of premium deficiency reserve in respect of all class of business.

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

	2025	2024
	---------- %	----------
Fire and property damage	-73%	-39%
Marine, aviation and transport	-61%	-63%
Motor	-62%	-44%
Accident and Health	-181%	-140%
Miscellaneous	-21%	-28%

4.12 Reinsurance contracts held

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

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 contracts.

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

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

The Company assesses its reinsurance assets for impairment on each reporting 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 profit and loss account.

4.13 Receivables and payables related to insurance contracts

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

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

4.14 Creditors, accruals and provisions

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

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

4.15 Reinsurance recoveries against outstanding claims

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

4.16 Salvage recoveries accrued

Salvage recoveries are recognized as an asset and measured at the amount expected to be received.

4.17 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and Insurance Rules, 2017 as the primary reporting format.

The Company has five primary business segments for reporting purposes namely fire and property damage, marine aviation and transport, motor, accident and health and credit and suretyship.

Investment and income taxes are managed on an overall basis and are, therefore, not allocated to any segment.

Assets and liabilities are allocated to particular segments on the basis of gross premium written during the year. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

4.18 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, policy and revenue stamps, bond papers and bank balances in current and saving accounts.

4.19 Revenue Recognition

(a) Premium income under a policy is recognised over the period of insurance contract from the date of inception of the policy to which it relates till the expiry in case of marine cargo business whereas, for all other cases of premium, income is recognised as a difference between total premium written and provision for unearned premium.

(b) Commission income is taken to the profit and loss account on a time proportionate basis in accordance with the pattern of recognition of reinsurance premium to which it relates.

(c) Administrative surcharge recovered by the Company from policy holders is included in income.

(d) Income from held-to-maturity investments is recognised on time proportion basis taking into account the effective yield on the investment. The difference between redemption and purchase price of the held-to-maturity investment is amortised and recognised in the profit and loss account over the term of investment.

(e) Dividend income is recognised when the right to receive such dividend is established.

(f) Gain / (loss) on sale of investments is included in the profit and loss account in the period of sale.

(g) Return on bank balances is recognised on a time proportion basis taking into account the effective yield.

(h) Reinsurance premium is recognized as expense after taking into account the proportion of prepaid reinsurance premium which is recognized as a proportion of the gross reinsurance premium of each policy, determined as the ratio of the unexpired period of the policy and the total period, both measured to the nearest day.

4.20 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event 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. However, provisions are reviewed at each reporting date and adjusted to management's best estimate.

4.21 Provision for outstanding claims (including IBNR)

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

Outstanding claims

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

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

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

Incurred But Not Reported (IBNR) Claims

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

The provision for claims incurred but not reported (IBNR) is made at the financial statement date. The Company takes actuarial advice for the determination of IBNR claims. IBNR claims have been 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.

4.22 Staff retirement benefits

4.22.1 Defined benefit plan - Gratuity Scheme

The Company operates an approved and funded gratuity scheme for employees whose period of service with the Company is five years or more. The liability / (asset) recognized in the balance sheet is the present value of defined benefit obligation at the reporting date less fair value of plan assets. The defined benefit obligation is calculated annually using Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

The Company determines the net interest expense (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments.

Net interest expense and current service cost are recognized in profit and loss account and actuarial gains / (losses) are recognised in other comprehensive income as they occur and are not reclassified to profit or loss in subsequent periods. The last actuarial valuation of the Company's defined benefit plan was carried on as of December 31, 2025.

4.22.2 Defined contribution plan

The Company contributes to a provident fund scheme which covers all permanent employees. Equal contributions are made both by the Company and the employees to the fund at the rate of 8.33% of basic salary.

4.22.3 Employees' compensated absences

The Company accounts for the liability in respect of eligible employees' compensated absences in the period in which they are earned.

4.23 Leases

Lessee accounting

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses the recent third party financing received by the Company as a starting point, adjusted to reflect the changes in financing conditions since third party financing was received;

- uses expected terms of third party financing based on correspondence with the third party financial institutions, where third party financing was not received recently; and

- makes adjustments specific to the lease e.g. terms and security.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantee, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. 'In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods covered by termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). While making this assessment, the Company considers significant penalties to terminate (or not extend) as well as the significant cost of business disruption.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is premeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

In determining the lease term termination options are considered as are included in a number of property leases by the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of termination options held are exercisable by both the Company and the respective lessors.

4.24 Dividend distribution

Dividend to shareholders is recognized as liability in the period in which it is approved. Dividends, if any, declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the year in which such dividends are declared and transfers are made.

4.25 Management Expense

Expenses of management have been allocated to various revenue accounts on equitable basis.

4.26 Commission from reinsurers

The revenue recognition policy for commission from reinsurer is given under note 4.19.

4.27 Foreign currencies

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. All exchange differences are routed through the profit and loss account.

4.28 Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of 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.

4.29 Share Capital

Ordinary shares are classified as equity and recognised at their face value.

4.30 Contingent liabilities

Contingent liability is disclosed when:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or

b) a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.31 Income tax

i) Current

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

ii) Deferred

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

5.1 The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended December 31, 2025. The preparation of financial statements in conformity with accounting standards requires management to use certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continuously evaluated and are based on historical experience and expectation of future events that are believed to be reasonable under the circumstances.

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

a. Classification of investment - note 4.4

b. Provision for outstanding claims including claims incurred but not reported - note 4.21

c. Reinsurance recoveries against outstanding claims - note 4.15

d. Useful life of depreciable / amortizable assets - notes 4.1

e. Staff retirement benefits - note 4.22

f. Provision for current & deferred taxes - note 4.31

h. Lease and right of use asset - note 4.1.2

i. Contingencies - note 4.30

	Note	2025	2024
		----------Rupees----------	
6. PROPERTY AND EQUIPMENT			
Operating assets	6.1	12,379,804	14,142,313
Right-of-use assets	6.2	8,621,502	11,314,842
		21,001,306	25,457,155

6.1 Operating Assets

	Cost				Depreciation				Written down value as at December 31	Depreciation rate %
	As at January 01	Additions	Disposal	As at December 31	As at January 01	For the year	Accumulated on Disposal	As at December 31		
	---------- Rupees ----------									
2025										
Furniture and fixtures	14,812,986	-	-	14,812,986	14,568,768	44,365	-	14,613,133	199,853	10
Office equipment	5,193,856	-	-	5,193,856	5,193,806	22	-	5,193,828	28	10 & 20
Computer and accessories	11,907,413	32,350	-	11,939,763	10,145,946	490,419	-	10,636,365	1,303,398	20
Motor vehicles	28,336,375	791,689	-	29,128,064	17,719,327	2,336,684	-	20,056,011	9,072,053	20
Electrical Installations	8,061,610	830,490	-	8,892,100	6,542,080	545,548	-	7,087,628	1,804,472	15
	68,312,240	1,654,529	-	69,966,769	54,169,927	3,417,038	-	57,586,965	12,379,804	
2024										
Furniture and fixtures	14,812,986	-	-	14,812,986	14,446,922	121,846	-	14,568,768	244,218	10
Office equipment	5,193,856	-	-	5,193,856	5,190,699	3,107	-	5,193,806	50	10 & 20
Computer and accessories	10,632,738	1,274,675	-	11,907,413	9,764,099	381,847	-	10,145,946	1,761,467	20
Motor vehicles	19,103,315	11,080,860	(1,847,800)	28,336,375	18,808,760	758,367	(1,847,800)	17,719,327	10,617,048	20
Electrical Installations	7,965,210	96,400	-	8,061,610	6,030,910	511,170	-	6,542,080	1,519,530	15
	57,708,105	12,451,935	(1,847,800)	68,312,240	54,241,390	1,776,337	(1,847,800)	54,169,927	14,142,313	

	Note	2025	2024
		---------- Rupees ----------	
6.2 Right-of-use assets			
Balance at 1st January		11,314,842	14,143,552
Depreciation charge for the year		(2,693,340)	(2,828,710)
Balance at 31st December		8,621,502	11,314,842
Depreciation rate (%)		22-33	22-33

7. INTANGIBLE ASSETS

	Cost				Amortisation				Written down value as at December 31	Depreciation rate %
	As at January 01	Additions	Disposal	As at December 31	As at January 01	For the year	Accumulated on Disposal	As at December 31		
	---------- Rupees ----------									
2025										
Computer Software	3,357,409	-	-	3,357,409	2,883,004	237,172	-	3,120,176	237,233	30%
2024										
Computer Software	3,015,659	341,750	-	3,357,409	2,699,886	183,118	-	2,883,004	474,405	30%

7.1 Cost and accumulated amortisation in respect of fully amortised GIS software and operating software licence which was purchased in 2009 still in use at the end of the year amounted to Rs. 2.41 million (2024: Rs. 2.41 million).

8. INVESTMENTS IN EQUITY SECURITIES

	Note	2025			2024		
		Cost	Provision for Impairment	Carrying value	Cost	Provision for impairment	Carrying value
		---------- Rupees ----------					
Available for sale							
Listed shares	8.1 & 8.2	62,589,725	-	62,589,725	91,074,104	(1,646,900)	89,427,204
Unrealized gain on investment		-	-	153,352,926	-	-	172,319,614
		62,589,725	-	215,942,651	91,074,104	(1,646,900)	261,746,818

	Shares		Cost		Fair value	
	2025	2024	2025	2024	2025	2024
	------ Number of Shares -------		---------- Rupees ----------		---------- Rupees ----------	
8.1 Listed shares						
Oil and Gas						
Pakistan Oil Fields Limited	6,000	6,000	2,169,519	2,169,505	3,651,060	3,789,720
Pakistan Petroleum Limited	-	126,960	-	18,868,530	-	25,842,708
Fertilizer						
Engro Fertilizer Limited	108,500	108,500	6,825,543	6,825,543	24,558,975	22,154,615
Fauji Fertilizer Company Limited	144,627	79,627	30,565,377	5,892,283	85,432,615	29,168,963
Forestry (Paper and Board)						
Pakistan Paper Product Limited	-	159,333	-	149,375	-	23,884,017

	Shares		Cost		Fair value	
	2025	2024	2025	2024	2025	2024
	------ Number of Shares -------		---------- Rupees ----------		---------- Rupees ----------	
Leasing						
OLP Financial services Pakistan limited (Formerly Orix Leasing Pakistan Limited)	31,500	31,500	1,192,990	1,192,990	1,520,505	1,123,290
Tobacco						
Pakistan Tobacco Company Limited	23,367	23,367	78,710	78,710	36,024,440	31,119,937
Pharmaceuticals						
GlaxoSmithKline Pakistan Limited	-	53,142	-	3,808,702	-	21,092,591
GlaxoSmithKline Consumer Healthcare Pakistan Limited	-	44	-	3,153	-	35,537
Highnoon Laboratories Limited	48,175	48,175	11,823,800	11,823,800	49,258,456	44,235,249
Travel and Leisure						
Pakistan Service Limited	-	15	-	107	-	11,967
Commercial Banks						
Allied Bank Limited	-	121,000	-	14,470,321	-	16,682,270
Askari Bank Limited	-	1,055,125	-	21,987,565	-	40,379,634
Cement						
D. G. Khan Cement Company Limited	-	21,000	-	2,683,784	-	2,203,320
Power						
Hub Power Company	70,000	-	9,933,786		15,496,600	
Automobile Assemblers						
Pak Suzuki Motor Company Limited	-	2,300	-	1,119,736	-	23,000
	432,169	1,836,088	62,589,725	91,074,104	215,942,651	261,746,818

	Note	2025	2024
		---------- Rupees ----------	
8.2 Listed shares			
Cost		62,589,725	91,074,104
Provision for impairment	8.2.1	-	(1,646,900)
		62,589,725	89,427,204
8.2.1 Provision for impairment			
Opening provision		1,646,900	18,558,706
Reversal		(1,646,900)	(12,860,144)
Elimination on disposal of securities		-	(4,051,662)
Closing provision		-	1,646,900

9. INVESTMENTS IN DEBT SECURITIES

		2025		2024	
		Cost	Carrying value	Cost	Carrying value
		---------- Rupees ----------			
Government securities					
Held to maturity					
Pakistan Investment Bonds	9.1.1	423,270,740	426,632,229	94,571,300	96,599,151
Treasury Bills	9.1.2	270,380,070	285,027,771	465,199,820	490,650,861
		693,650,810	711,660,000	559,771,120	587,250,012

9.1 Government securities - held to maturity

9.1.1 Pakistan Investment Bonds (PIB)

Face value (Rupees)	Profit rate %	Coupon payment	Type of Security	Maturity date	Effective rate %	2025 Cost	2025 Carrying value	2024 Cost	2024 Carrying value
50,000,000	10.0%	Semi-annually	PIB - 10 years	19-09-2029	10.68%	47,189,900	48,600,443	47,189,900	48,238,596
50,000,000	10.0%	Semi-annually	PIB - 10 years	19-09-2029	10.68%	47,381,400	48,697,780	47,381,400	48,360,555
50,000,000	12.0%	Semi-annually	PIB - 10 years	16.01.2030	12.23%	49,337,700	49,440,420	-	-
250,000,000	12.0%	Semi-annually	PIB - 10 years	16.01.2035	12.65%	240,835,500	241,331,667	-	-
40,000,000	11.5%	Semi-annually	PIB - 10 years	17.07.2035	12.14%	38,526,240	38,561,919	-	-
440,000,000						423,270,740	426,632,229	94,571,300	96,599,151

9.1.1.1 Pakistan Investment Bonds with face value of Rs. 60 million (2024: Nil) are deposited with State Bank of Pakistan under Section 29 of the Insurance Ordinance, 2000.

9.1.2 Treasury Bills

Face value (Rupees)	Yield rate %	Profit payment	Type of Security	Maturity date	2025 Cost	2025 Carrying value	2024 Cost	2024 Carrying value
300,000,000	18.70%	On maturity	Treasury Bill	06-02-2025	-	-	274,372,500	294,930,824
80,000,000	13.50%	On maturity	Treasury Bill	06-02-2025	-	-	77,597,200	78,941,624
65,000,000	17.80%	On maturity	Treasury Bill	04-05-2025	-	-	59,750,860	63,191,963
60,000,000	12.2%	On maturity	Treasury Bill	26-12-2025	-	-	53,479,260	53,586,450
65,000,000	11.86%	On maturity	Treasury Bill	17-03-2026	58,156,540	63,582,156	-	-
75,000,000	10.92%	On maturity	Treasury Bill	11-06-2026	67,633,350	71,721,436	-	-
100,000,000	10.88%	On maturity	Treasury Bill	24-06-2026	90,237,200	95,293,416	-	-
60,000,000	10.45%	On maturity	Treasury Bill	24-12-2026	54,352,980	54,430,763	-	-
805,000,000					270,380,070	285,027,771	465,199,820	490,650,861

10. INVESTMENTS IN MUTUAL FUNDS

	Note	2025	2024
		---------- Rupees ----------	
Fair value thorough profit and loss			
Mutual funds		5,133,873	-

	As at January 01, 2025	Purchase during the year	Redemption during the year	As at December 31, 2025	Caryying value as at December 31, 2025	Market value as at December 31, 2025	Unrealised gain
	Number of units				Rupees		
NIT-Growth Fund	-	491,995	-	491,995	5,000,000	5,133,873	5,133,873
	-	491,995	-	491,995	5,000,000	5,133,873	5,133,873

	Note	2025	2024
		---------- Rupees	----------
11. LOANS AND OTHER RECEIVABLES			
- Unsecured and considered good			
Receivable from Window Takaful -OPF/PTF	11.1	19,246,920	6,577,650
Loans to employees	11.2	1,250,603	725,164
Accrued investment income	11.3	19,428,034	2,872,928
Security deposit		305,120	61,225,86
Advance to supplier		892,021	2,315,377
Advance against commission		71,578	858,857
Federal insurance fee		1,727,353	-
Federal Excise Duty / Sales tax		4,797,307	-
Other receivables		975,235	735,922
		48,694,171	75,311,758

11.1 This represents the balance receivable against the expenses incurred on behalf of window takaful operations - Operator's Fund and Participant Takaful Fund.

11.2 This represents the interest free loan provided to employees as per the Company policy.

11.3 This represents the interest income accrued on Pakistan Investment Bonds (PIB's).

12. INSURANCE / REINSURANCE RECEIVABLES

	2025	2024
- Unsecured and considered good		
Due from insurance contract holders	51,474,980	46,290,001
Less: Provision for impairment of receivables		
Less: from insurance contract holders	(27,984,860)	(19,175,671)
	23,490,120	27,114,330
Due from other insurers / reinsurers	201,280,817	203,131,815
Less: Provision for impairment of due		
Less: from other insurers / reinsurers	(45,523,423)	(37,423,388)
	155,757,394	165,708,427
	179,247,514	192,822,757

13. RETIREMENT BENEFIT

As mentioned in note 4.22, the Company operates an approved and funded gratuity scheme for employees whose period of service with the Company is five years or more. The latest actuarial valuations of these schemes were carried out as at December 31, 2025 using the Projected Unit Credit Method.

13.1 The gratuity scheme exposes the Company to the following risks:

Discount Rate and Spread between Discount and Salary Increase Rate:

The amount of the net obligation is particularly affected by the discount rate and spread between discount and salary increase assumption. The actual liabilities may turn out to be different then the amounts reported in the statement of financial position.

Investment Return on Plan Assets:

The risk arises when the actual performance of the investments is lower than expectation and hence creates a shortfall in the fund.

Future Gratuity Expenses:

The Company bears full risk for possible future Gratuity adjustments possibly because of salary increases, staff count increase and changes in Gratuity scheme structure.

Withdrawal and Mortality Rate:

The defined benefit obligation is not particularly sensitive to mortality rate, while it is somewhat sensitive to withdrawal rate.

	Note	2025	2024
		---------- Rupees	----------
13.2 Amount recognised in the statement of financial position			
Present value of defined benefit obligation	13.3	9,388,233	9,049,906
Fair value of plan assets	13.4	(7,512,651)	(7,683,212)
		1,875,582	1,366,694
13.3 Movement in the defined benefit obligations			
Defined benefit obligation as at 1st January		9,049,906	7,810,886
Current service cost		548,116	444,761
Interest cost		1,131,238	1,171,633
Remeasurement loss		416,753	1,269,884
Benefits paid		(1,757,780)	(1,647,258)
Defined benefit obligation as at 31st December		9,388,233	9,049,906
13.4 Movement in fair value of plan assets			
Fair value of plan assets as at 1st January		7,683,212	8,015,382
Interest income		960,402	1,202,307
Remeasurement gain		626,817	112,781
Benefits paid		(1,757,780)	(1,647,258)
Fair value as at 31st December		7,512,651	7,683,212
13.5 Amount recognised in the profit and loss account			
Current service cost		548,116	444,761
Interest cost		1,131,238	1,171,633
Interest income on plan assets		(960,402)	(1,202,307)
		718,952	414,087
13.6 Remeasurement (gain) / loss recognised in statement of other comprehensive income			
Remeasurement loss in defined benefit obligation		416,753	1,269,884
Remeasurement (gain) in plan assets		(626,817)	(112,781)
Add: Reversal due to asset ceiling		-	(204,496)
		(210,064)	952,607

13.7 Principal actuarial assumptions	2025	2024
Discount rate and expected return on plan assets	11%	13%
Future salary increases	11%	13%
Mortality rates	60 years	60 years
Rates of Employee turnover	SLIC (2001-05) - 1 Light	SLIC (2001-05) - 1 Light

13.8 Comparision for five years

	2025	2024	2023	2022	2021
	Rupees				
Fair value of plan assets	(7,512,651)	7,683,212	8,015,382	8,018,900	8,233,194
Defined benefit obligations	9,388,233	(9,049,906)	(7,810,885)	(8,048,750)	(8,052,536)
Surplus / (Defecit)	1,875,582	(1,366,694)	204,497	(29,850)	180,658
Experience adjustments					
Gain / (loss) on plan assets (as percentage of plan assets)	8.34%	1.47%	1.44%	4.57%	-7.46%
(Gain) / loss on obligations (as percentage of plan obligations)	4.44%	0.00%	9.10%	-0.10%	0.51%

13.9 Comparision of fair value of plan assets

	2025		2024	
	(Rupees)	%	(Rupees)	%
Cash and cash equivalents	(7,512,651)	100%	7,683,212	100%
Total	(7,512,651)	100%	7,683,212	100%

13.10 Sensitivity analysis on significant actuarial assumptions defined benefit obligation

	2025		2024	
	%	(Rupees)	%	(Rupees)
Discount rate +1.00%	-5.40%	(492,159)	-4.80%	(437,475)
Discount rate -1.00%	6.20%	564,597	5.50%	500,852
Future salary rate + 1.00%	6.60%	592,566	5.90%	529,718
Future salary rate - 1.00%	-5.80%	(525,020)	-5.20%	(470,708)

The weighted average duration of the defined benefit obligation is 5 years (2024: 5 years).

13.11 Projected payments

Expected maturity analysis of undiscounted defined benefit obligation for the gratuity fund is as follows:

Undiscounted payments

Rupees				
Year 1	Year 2	Year 3	Year 4	Year 5
1,081,477	3,886,769	609,902	1,176,192	182,402

Based on the actuarial advice, the Company intends to record expense with an amount of approximately Rs 1.081 million in the financial statements in respect of the fund for the year ending June 30, 2026.

The information provided in notes to 13.1 to 13.11 has been obtained from details provided by the actuary of the Company.

	Note	2025	2024
		Rupees	
14. DEFERRED TAXATION-NET			
Deferred debits arising in respect of:			
Accelerated tax depreciation on fixed assets		231,534	(22,274)
Lease liabilities		2,991,035	3,568,581
Provision against premium due but unpaid		8,115,609	5,560,945
Provision against amount due from other insurers/reinsurers		13,201,793	10,852,783
Provision for diminution in value of investment		-	477,601
Provision for employees' benefits plan		543,919	(284,607)
Deferred credits arising due to:			
Right-of-use assets		(2,500,236)	(3,281,304)
Unrealized gain on revaluation of AFS		(44,472,349)	(49,972,688)
		(21,888,694)	(33,100,963)
14.1 Movement in net deferred tax liability is as follows:			
Opening deferred tax (liability) / asset		(33,100,963)	1,059,927
(Charge to) / reversal of the profit and loss account			
Accelerated tax depreciation on fixed assets		253,808	(903,583)
Lease liabilities		(577,546)	(533,049)
Provision against premium due but unpaid		2,554,664	(1,782,009)
Provision against amount due from other insurers/reinsurers		2,349,010	1,782,010
Provision for diminution in value of investment		(477,601)	(4,904,424)
Provision for employees' benefits plan		889,444	
Right-of-use assets		781,068	820,325
		5,772,848	(5,520,730)
(Charge to) / reversal of other comprehensive income			
Provision for employees' benefits plan		(60,919)	276,256
Unrealized loss on revaluation of AFS		5,500,339	(28,916,416)
		5,439,421	(28,640,160)
Closing deferred tax liability		(21,888,694)	(33,100,963
15. TAXATION - PAYMENT LESS PROVISIONS			
Advance tax - opening		88,012,879	79,230,408
Add: Advance tax paid during the year		19,734,397	19,743,652
Less: Provision for the year		(17,992,937)	(10,961,181)
		89,754,339	88,012,879
16. PREPAYMENTS			
Prepaid reinsurance premium ceded		65,963,560	59,192,450
Others		201,540	-
		66,165,100	59,192,450

	Note	2025	2024
		Rupees	
17. BANK DEPOSITS HELD AS MARGIN			(Restated)
- Savings accounts	17.1	86,772,216	45,616,509

17.1 This represents bank deposits held as margin in respect of performance / bond policies issued by the Company, which are maintained in a separate bank account on behalf of policy holders. These carry markup at rates ranging from 7% to 10% per annum (2024: 14% to 20.25% per annum).

	Note	2025	2024
		Rupees	
18. CASH AND BANK			(Restated)
Cash and cash equivalent			
- Cash in hand		-	10,886
- Policy & revenue stamps, bond papers		4,820,455	2,078,508
Cash at bank			
- current accounts		8,313,006	3,805,680
- savings accounts	18.1	23,591,374	93,508,126
		36,724,835	99,403,200

18.1 These carry markup at rates ranging from 7% to 10% per annum (2024: 14% to 20.25% per annum).

19. WINDOW TAKAFUL OPERATIONS

19.1 WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND

Assets		
Investments - debt securities	15,805,678	-
Deferred commission expense	3,702,764	3,282,754
Receivable from PTF	42,193,548	11,716,563
Taxation - payment less provision	-	514,327
Other receivables	32,598,409	-
Cash and bank	532,180	40,804,664
	94,832,579	56,318,308
Qard-e-hasna contributed to PTF	46,209,633	25,000,000
Total Assets	141,042,212	81,318,308
Total Liabilities	76,628,735	23,648,062
Profit for the year	6,743,231	4,787,019

	Note	2025	2024
		Rupees	
19.2 WINDOW TAKAFUL OPERATIONS - PARTICIPANT'S FUND			
Takaful / retakaful receivables		41,979,523	10,107,008
Investments		23,261,702	-
Reinsurance recoverable		3,915,971	626,028
Deferred wakala expense		10,820,036	8,290,890
Advance and other receivables		41,195,407	887,926
Prepayments		11,408,772	9,803,237
Taxation - payments less provision		1,095,398	507,879
Cash and bank		41,168,258	48,778,456
Total Assets		174,845,067	79,001,424
Total Liabilities & Equity		174,845,067	79,001,424

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

20. SHARE CAPITAL

20.1 Authorized capital

2025	2024		2025	2024
Number of shares			Rupees	
51,000,000	51,000,000	Ordinary shares of Rs. 10 each	510,000,000	510,000,000

20.2 Issued, subscribed and paid-up share capital

2025	2024		2025	2024
Number of shares			Rupees	
		Ordinary shares of Rs.10 each issued		
1,162,000	1,162,000	- as fully paid in cash	11,620,000	11,620,000
19,640,000	19,640,000	- issued as right share	196,400,000	196,400,000
29,198,000	29,198,000	- issued as fully paid bonus shares	291,980,000	291,980,000
50,000,000	50,000,000		500,000,000	500,000,000

21. RESERVES

		2025	2024
Capital reserve			
Reserve for exceptional losses	21.1	3,355,000	3,355,000
Revenue reserves			
General reserve		6,820,000	6,820,000
Unrealised appreciation on 'available for sale' investments		108,880,568	122,346,921
		119,055,568	132,521,921

21.1 This reserve was created at 10% of premium income net of reinsurance till the year 1978 in terms of the repealed Income Tax Act, 1922.

22. LEASE LIABILITY

	2025	2024
	Rupees	
Current	2,883,363	1,991,538
Non - current	7,430,552	10,313,915
	10,313,915	12,305,453

The future minimum lease payments to which the Company is committed under the lease agreements and the periods in which they will become due are as follows:

	December 31, 2025			December 31, 2024		
	Minimum Lease Payments	Financial charges for future periods	Pricipal outstanding	Minimum Lease Payments	Financial charges for future periods	Pricipal outstanding
	Rupees					
Not later than one year						
Later than none year and not later than five years	4,834,960	1,951,597	2,883,363	5,016,480	3,024,942	1,991,538
Later than five years	9,285,120	1,854,568	7,430,552	15,049,440	4,735,525	10,313,915
Total lease liability	14,120,080	3,806,165	10,313,915	20,065,920	7,760,467	12,305,453

	Note	2025	2024
		Rupees	

23. INSURANCE/REINSURANCE PAYABLES

Due to other insurers / reinsurers	23.1	145,046,944	118,519,646
Cash margins against performance bonds	23.2	84,364,878	45,616,509
		229,411,822	164,136,155

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

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

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

23.2 This represents margine deposit on account of performance and other bond policies issued by the company.

	Note	2025	2024
		Rupees	

24. OTHER CREDITORS AND ACCRUALS

Agents commission payable		62,058,101	66,047,393
Workers' Welfare Fund	24.1	5,062,212	5,062,212
Federal Excise Duty / Sales tax		-	6,704,575
Accrued expenses		4,073,115	2,512,455
Compensated absences		5,979,815	4,988,209
Other tax liabilities		-	1,046,196
Accounts payable for goods & services		-	782,950
Other creditors & accruals	24.2	36,377,156	7,096,631
		113,550,399	94,240,621

24.1 The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Honorable Lahore High Court, Sindh High Court and Peshawar High Court.

The Honourable Supreme Court (SCP) of Pakistan vide its judgment dated November 10, 2016, has upheld the view of Honorable Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution.

The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

In view of the above, on prudent basis the management has decided not to reverse charge for WWF recorded for the years up to 2015 amounting to Rs. 5.062 million.

24.2 This includes balance amounting to Rs. 31.900 million payable to the Participant Takaful Fund (PTF) against premiums deposited by Takaful policyholders in a conventional bank account.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 Various claims amounting to Rs. 54.70 million (2024: Rs. 51.58 million) has been lodged by various parties against the Company. The Company has not acknowledge these claims as the management considers that the Company is not liable to settle the amount.

25.1.2 The deemed assessments under section 120 of the Income Tax Ordinance, 2001 of the Company have been finalized up to tax year 2025. However, matters of disagreement exist between the Company and the tax authorities in respect of tax years 2008, 2009, 2011, 2012, 2013, 2014, 2015, 2016 and 2017.

In the aforesaid tax years, the Additional Commissioner Inland Revenue (ACIR) has passed amended assessment orders under section 122(5A) of the Income Tax Ordinance, 2001. In these orders, tax on dividend income has been charged at corporate tax rates by treating such income as business income under the Fourth Schedule to the Ordinance. Further, certain disallowances have been made, inter alia, in respect of provision for IBNR claims, non-withholding of tax on commission expenses, payments made in cash, and in certain years, disallowance of brought forward losses and levy of minimum tax.

The Company has filed appeals before the Commissioner Inland Revenue (Appeals), the Appellate Tribunal Inland Revenue (ATIR), and, where applicable, the Honourable High Court of Sindh.

25.1.2.1 For tax year 2008, the amended assessment was challenged on various grounds including limitation, and the ATIR has decided the matter in favour of the Company, rendering the departmental appeal infructuous.

25.1.2.2 For tax year 2009, amended assessments resulted in a demand of Rs. 4.63 million. However, due to non-granting of full credit for taxes paid and other rectification matters, the Company expects that upon resolution, a net refund position will arise. Appeals and rectification applications in this respect are pending adjudication.

25.1.2.3 For tax year 2011, the Company has challenged the validity of proceedings initiated under section 122(5A) before the Honourable High Court of Sindh on the grounds of limitation. The Court has restrained the tax authorities from proceeding further, and the matter is currently sub judice.

25.1.2.4 For tax years 2012 and 2013, amended assessments primarily relate to taxability of dividend income, disallowances, and brought forward losses. Both the Company and the tax department have filed appeals before ATIR, which are pending adjudication.

25.1.2.5 For tax year 2014, the amended assessment resulted in a significant tax demand (net of partial payments), mainly on account of similar issues. Certain matters have been remanded back by the appellate authorities, while cross appeals filed by both parties are pending before ATIR.

25.1.2.6 For tax years 2015 and 2016, amended assessments resulted in tax demands of Rs. 2.30 million and Rs. 3.65 million (post appellate effects), respectively. The Commissioner Inland Revenue (Appeals) has granted partial relief; however, issues relating to disallowances remain contested. Both the Company and the tax authorities have filed appeals before ATIR, which are pending adjudication.

25.1.2.7 For tax year 2017, proceedings under sections 161/205 resulted in a tax demand in respect of withholding tax matters. The Commissioner (Appeals) has granted partial relief, including deletion of certain additions and remanding of specific issues, while confirming others. The Company has filed an appeal before ATIR, which is pending adjudication.

Based on the advice of tax consultants and the merits of the respective cases, management is confident that the ultimate resolution of the above matters will not result in any material liability; accordingly, no provision has been recognized in these financial statements.

25.1.3 A show-cause notice dated December 19, 2018 was instituted after the Company's audit for the tax periods from January 2016 to December 2016 was carried out under Section 28(2) of the Sindh Sales Tax on Services Act, 2011. The instant notice demanded tax amounting to Rs. 152.26 million as short payment of Sindh sales tax. The Company submitted various arguments, evidence and reconciliations. The Assistant Commissioner SRB vide Order-in-Original dated November 13, 2019 held that the Company has received re-insurance services from foreign re-insurance companies and is, therefore, liable to deposit the Sindh sales tax amount of Rs. 7.56 million along with penalty of Rs. 0.38 million. The Company being aggrieved preferred an appeal before the Commissioner Appeals – SRB. Various hearings have been conducted; however, the case is pending adjudication. The tax advisor is confident with regard to the merits of the issue involved and suggest favorable outcome for instant case.

25.1.4 During the year 2019, the Assistant Commissioner, Sindh Revenue Board ("ACSRB") had issued a show cause notice No. SRB-COM-I/Unit- 10/SNC/11/2018/000492 ("SCN") dated June 22, 2019, to the Company on various issues specified in the SCN including short payment of Sindh sales tax amount of Rs. 7.44 million. These issues pertain to the tax period 2011. In response to the aforesaid notice, the Company through its legal advisor filed a Constitutional Petition # D-4743 of 2019 in the Honorable High Court of Sindh challenging the aforesaid notice and obtained interim stay order and case was decided in favor of SRB. Subsequently the ACSRB fixed the date of hearing on similar SCN on which the Company has decided to challenge the decision of Honorable High Court of Sindh in the Honorable Supreme Court of Pakistan. Meanwhile, the Company has also requested the ACSRB to extend the date of compliance for instant case.

However, the ACSRB passed an Order in Original No. 309 of 2021 dated July 01, 2021 in urgency and whimsical manner which created a demand of Rs. 7.82 million inclusive of penalty. In this regard, the Company decided to file an appeal before the Commissioner Appeals, Sindh Revenue Board. The tax advisor cannot predict about its outcome with certainty, but strong believe that the merits of the issue involved suggest favorable outcome for instant case.

25.1.5 During the year 2022, the Sindh Revenue Board through a show cause order No. SRB-COM-I/AC-10/Ins./Alpha/2014-15/2022/27/74688 dated 18th January 2022 ("SCN"), was issued against the Company whereby it was observed that during scrutiny of the financial statements for the calendar years 2014 and 2015 the Company has ceded reinsurance premiums and also received commission from reinsurers. Accordingly, it was alleged that the Company has short paid Sindh Sales Tax of amounting to Rs. 48.39 million under section 23 (1) and (2) of the Sindh Sales Tax on Services Act, 2011.

The Company, being aggrieved by the aforesaid SCN, preferred filing petition before the Honorable High Court of Sindh. The Honorable High Court of Sindh after hearing the submissions, granted stay against the show cause proceedings and directed SRB not to pass any final adverse order. The interim stay order vide C.P No. D-804 of 2022 dated 14 February 2022 was granted. Although, the tax advisor cannot predict about its outcome with certainty, but believe that the merits of the issue involved suggest favorable outcome for instant case.

25.1.6 During the year 2022, the Sindh Revenue Board through a show cause order No. SRB-COM-I/AC-10/Ins./AIC/2014-15/2022/81757 dated 27th January 2022, ("SCN") was issued against the Company whereby it was observed during scrutiny of the financial statements of the Company that the Company has written insurance premium worth Rs. 179.99 million which is taxable wherein Sindh Sales Tax (SST) amounting to Rs. 26.10 million for the tax periods from January 2015 to December 2015 is involved. It was further mentioned that the Company has written insurance premium worth Rs. 219.65 million wherein Sindh Sales Tax (SST) amount involved is Rs. 34.05 million for the tax periods from January 2014 to December 2014. The assessing officer alleged that the Company has failed to deposit the Sindh Sales Tax (SST) recoverable against cited taxable services and has also failed to declare the same in the Sindh Sales Tax (SST) returns. Further, it was alleged that the Company has claimed illegal/unlawful input tax adjustment amounting to Rs. 1.32 million on account of certain purchases which are inadmissible according to Section 15 and 15A of the Sindh Sales Tax (SST) on Services Act, 2011 ("the SSTSA, 2011"). Accordingly, the Company was required to show cause as to why Sindh Sales Tax (SST) amounting to Rs. 61.46 million may not be assessed under Section 23(1) and 23(2) of the SSTSA, 2011.

In this regard, the Company, being aggrieved by this SCN, filed petition before Honorable Sindh High Court (SHC) bearing CP No. 1166 of 2022. Sindh High Court (SHC) has suspended operation of impugned order till next date of hearing.The Tax advisor is having a strong believe that the merits of the issue involved suggest favorable outcome for instant case.

25.1.7 The Company has received notice No. SRB/SWWF/SHOPS/A-G/2023-24/323999 dated. January 23, 2024, in which the authority advised the Company to deposit the due amount of Sindh Welfare Fund for the tax year 2023 as being industrial Establishment, as per section 2(g)(vi-a) of the Sindh Workers Welfare Fund Act, 2014. The company is required to pay SWWF amounts to the government. Furthermore, the management of the company is viewed as is owned and controlled by the Federal Government having offices all over Pakistan, and as such is not liable for the subject contribution which would be paid to the Federal government.

25.2 Commitments

There are no commitments as at December 31, 2025 (2024: Nil).

	Note	2025	2024
		---------- Rupees	----------
26. NET INSURANCE PREMIUM			
Written Gross Premium		446,991,625	527,274,070
Add: Unearned premium reserve opening		151,064,657	116,171,934
Less: Unearned premium reserve closing		(127,600,069)	(151,064,657)
Premium earned		470,456,213	492,381,347
Reinsurance premium ceded		148,081,077	134,316,596
Add: Prepaid reinsurance premium opening		59,192,450	47,285,919
Less: Prepaid reinsurance premium closing		(65,963,560)	(59,192,450)
Reinsurance expense		141,309,967	122,410,065
		329,146,246	369,971,282
27. NET INSURANCE CLAIMS EXPENSE			
Claims paid		270,887,421	213,851,198
Add: Outstanding claims including IBNR closing		411,076,440	280,599,160
Less: Outstanding claims including IBNR opening		(280,599,160)	(216,793,824)
Claim expense		401,364,701	277,656,534
Less: Reinsurance and other recoveries received		(75,074,311)	(30,142,526)
Add: Reinsurance and other recoveries in respect of outstanding claims - opening		122,581,102	101,275,592
Less: Reinsurance and other recoveries in respect of outstanding claims - closing		(226,867,270)	(122,581,102)
Reinsurance and other recoveries revenue		(179,360,479)	(51,448,036)
		222,004,222	226,208,498

27.1 Claim Development

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

Accident year	2021 and prior	2022	2023	2024	2025 (including IBNR)	Total
	Rupees					
Estimate of ultimate claims cost:						
- At end of accident	92,484,789	18,748,554	21,178,049	197,320,763	288,667,303	618,399,457
- One years later	92,537,158	26,348,315	23,386,877	249,284,122	-	391,556,472
- Two years later	92,541,658	26,387,893	24,461,558	-	-	143,391,109
- Three years later	92,656,026	26,763,244	-	-	-	119,419,270
- Four years later	92,805,227	-	-	-	-	92,805,227
Current estimate of cumulative claims	92,805,227	26,763,244	24,461,558	249,284,122	288,667,303	681,981,453
Cumulative payment to date	(1,704,863)	(9,818,494)	(9,102,034)	(162,154,072)	(88,125,550)	(270,905,013)
Liability recognized in statement of financial position	91,100,364	16,944,750	15,359,524	87,130,050	200,541,753	411,076,440

27.2 The provision for IBNR on the basis of actuarial valuation carried out as at December 31, 2025 amounting to Rs. 64.61 million (2024: Rs. 46.47 million).

	Note	2025	2024
		Rupees	
28. NET COMMISSION EXPENSE			
Commission paid or payable		81,214,580	100,342,035
Add: Deferred commission expense opening		26,541,209	24,951,808
Less: Deferred commission expense closing		(22,652,069)	(26,541,209)
Net Commission		85,103,720	98,752,634
Less: Commission received or recoverable		14,396,820	8,189,285
Add: Unearned Reinsurance commission opening		4,964,011	1,291,035
Less: Unearned Reinsurance commission closing		(5,962,242)	(4,964,011)
Commission from reinsurance		13,398,589	4,516,309
		71,705,131	94,236,325
29. MANAGEMENT EXPENSES			
Employees benefit cost	29.1	111,724,196	98,736,476
Traveling expense		1,911,817	1,813,802
Advertisement & sales promotion		3,804,472	1,328,538
Printing and stationery		2,532,701	2,730,203
Depreciation	6	6,110,378	4,605,047
Amortization	7	237,172	183,118
Rent, rates and taxes		271,138	2,342,133
Legal and professional charges - business related		16,430,835	7,965,164
Electricity, gas and water		5,291,051	4,753,923
Entertainment		3,258,652	3,627,690
Vehicle running expenses		25,103,075	25,301,556
Office repair and maintenance		2,961,512	2,161,171
Bank charges		212,756	183,067
Postages, telegrams and telephone		2,297,260	2,100,156
Annual supervision fee SECP		576,483	236,814
Co-insurance service charges		2,277,840	-
Insurance charges		139,604	-
Miscellaneous		183,977	9,502,430
		185,324,919	167,571,288

	Note	2025	2024
		Rupees	

29.1 Employee benefit cost

Salaries, allowance and other benefits	106,662,034	95,325,501
Charges for post employment benefit	5,062,162	3,410,975
	111,724,196	98,736,476

29.1.1 This represents Rs. 3,044,480 (2024: Rs. 2,996,888) being contribution for employees' provident fund and Rs. 718,952 (2024: Rs. 414,087) in respect of defined benefit plan.

30. INVESTMENT INCOME

Available for sale		
Income from equity securities		
Dividend Income	20,252,172	17,776,076
Realized gains on Equity securities	73,268,708	45,423,795
	93,520,880	63,199,871
Held to maturity		
Income from debt securities - held to maturity		
Return on government securities	41,545,576	19,524,861
Return on Investment in NIT-Growth fund	133,873	-
Amortization of discount on government Securities	30,994,598	59,736,482
	72,674,047	79,261,343
Total investment income	166,194,927	142,461,214
Less: Reversal / (impairment) in value of available for sale securities- equity securities	1,646,900	16,911,806
Net investment income	167,841,827	159,373,020

31. OTHER INCOME

Return on bank balances	19,729,770	19,777,390
Gain on sale of property and equipment	-	1,200,000
Liablity written back	-	7,719,994
	19,729,770	28,697,384

32. OTHER EXPENSES

Audito'r' remuneration	32.1	1,554,560	1,182,800
Directors' fees		5,720,000	4,040,000
Fees & Subscription		295,550	588,283
Workers' Welfare Fund		-	2,864,467
Provision for doubtful debts		16,909,224	-
		24,479,334	8,675,550

32.1 Auditor's remuneration

Audit fee	1,231,232	882,800
Out-of-pocket expenses	323,328	300,000
	1,554,560	1,182,800

33. FINANCE COSTS

Mark up on leases against right of use assets	3,024,942	3,178,381

	2025	2024
	---------- Rupees ----------	

34. PROFIT FROM WINDOW TAKAFUL OPERATIONS - OPERATOR'S FUND

Wakala fee	32,722,978	14,892,500
Mudarib Fee	168,775	-
Commission expense	(10,568,245)	(8,108,189)
General administrative and management expense	(15,737,160)	(5,910,866)
Investment income	2,015,311	1,567,662
Other income	1,802,193	5,012,472
Other expenses	(906,343)	(711,299)
Profit before tax	9,497,509	6,742,280

35. INCOME TAX EXPENSE

- Current	13,960,412	10,961,181
- Prior year	4,032,525	-
- Deferred tax	(5,772,848)	5,520,730
	12,220,089	16,481,911

35.1 Relationship between tax expense and accounting profit

Operating profit before taxation	34,626,935	55,079,402

36. Earnings after tax per share - Basic and Diluted

Basic earnings per share are calculated by dividing the net profit for the year by the weighted average number of shares as at the year end as follows:

Profit after tax for the year	22,406,846	38,597,491
	(Number of Shares)	
Weighted average number of ordinary shares	50,000,000	50,000,000
Basic/Diluted earnings per share (Rupees)	0.45	0.77

36.1 No figure for diluted earnings per share has been presented as the company has not issued any instrument which would have an impact on earnings per share.

37. COMPENSATION OF DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	Rupees							
Fees	-	-	5,720,000	4,040,000	-	-	5,720,000	4,040,000
Managerial remuneration	7,058,880	6,025,920	-	-	13,956,311	10,237,729	21,015,191	16,263,649
Leave encashment	-	-	-	-	-	-	-	-
Bonus	-	-	-	-	-	-	-	-
Ex-gratia allowance	100,000	100,000	-	-	3,530,069	663,024	3,630,069	763,024
Charge for defined contribution plan	-	-	-	-	-	-	-	-
Rent and house maintenance	4,235,280	3,615,520	-	-	5,728,002	5,376,406	9,963,282	8,991,926
Utilities	705,840	602,560	-	-	961,948	894,638	1,667,788	1,497,198
Medical	-	-	-	-	-	-	-	-
Conveyance	-	-	-	-	119,301	-	119,301	-
Entertainment Allowance	-	-	-	-	-	46,175	-	46,175
Others	50,000	-	-	-	-	-	50,000	-
	12,150,000	10,344,000	5,720,000	4,040,000	24,295,631	17,217,972	42,165,631	31,601,972
Number of persons	1	1	9	9	10	10	20	20

37.1 The Chief Executive Officer is provided with the Company maintained cars, house rent and utilities, driver salaries, medical facility, group life cover and health insurance. The executives are provided with free use of the Company cars and medical insurance cover.

37.2 The Non Executive Directors were paid Directors meeting fee of Rs. 5.72 million (2024 : Rs. 4.04 million). No other remuniration were paid to Non-Executive Directors.

38. RELATED PARTY TRANSACTIONS

Related parties comprises State Life Insurance Corporation of Pakistan being the parent company, associated entities having directors in common, other subsidiaries of parent company, directors, key management personnel, gratuity fund and provident fund. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties during the year other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2025	2024
	---------- Rupees	----------
- Transactions and balances with related parties		
Parent Company - State Life Insurance Corporation of Pakistan- 95.15%		
Rent paid	3,503,220	5,761,118
Group Insurance	200,000	1,614,058
Pakistan Reinsurance Company Limited - Associate of parent (Common Directorship)		
Reinsurance - Net	(28,461,158)	(19,627,912)
Employees' funds Contribution to provident fund	3,075,226	2,996,887
Others		
Remuneration to key management personnel	36,445,631	30,048,188
Directors' remuneration	5,720,000	4,040,000
- Balances as at 31 December		
Pakistan Reinsurance Company Limited - Associate of parent (Common Directorship)		
Payable from Pakistan Reinsurance Company Limited	(60,947,785)	(32,486,627)
Participants Takaful Fund		
Receivable from Fund against payment of Federal Excise Duty / Sales tax & Federal insurance fee	6,524,660	-
Others		
Payable to from gratuity fund	(1,875,582)	(1,366,693)

39. SEGMENT INFORMATION

Following segment information prepared in accordance with the requirements of Insurance Ordinance, 2000 and the Insurance Rules, 2017 for Class of business wise revenues, results, assets and liabilities:

The class wise revenues and results are as follows:

December 31, 2025	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Bond	Other classes	2025 Aggregate
	Rupees						
Premium receivable (inclusive of federal excise duty, federal Insurance fee and administrative surcharge)	205,535,208	62,321,637	89,298,320	1,024,315	6,582,181	130,922,919	495,684,580
Less :Federal excise duty / Sales Tax	12,597,038	5,218,908	8,288,104	-	845,412	12,688,484	39,637,946
Federal insurance fee	801,998	448,629	537,320	8,473	54,688	821,994	2,673,102
Others	t104,330	5,757,747	227,010	-	69,800	223,020	6,381,907
Gross written premium (inclusive of administrative surcharge)	**192,031,842**	**50,896,353**	**80,245,886**	**1,015,842**	**5,612,281**	**117,189,421**	**446,991,625**
Gross direct premium	78,353,772	43,422,470	52,510,179	1,013,842	2,139,544	116,216,329	293,656,136
Facultative inward premium	112,509,951	6,145,844	26,788,911	-	145,837	35,001,469	180,592,012
Administrative surcharge	1,168,119	1,328,039	946,796	2,000	180,585	973,092	4,598,631
	192,031,841	**50,896,353**	**80,245,886**	**1,015,843**	**5,612,281**	**117,189,421**	**446,991,625**
Insurance premium earned	195,844,832	52,170,073	84,278,332	32,276,322	3,292,152	102,594,502	470,456,213
Reinsurance expense	(81,091,734)	(16,432,959)	(16,638,233)	-	(1,368,100)	(25,778,941)	(141,309,967)
Net insurance premium	114,753,098	35,737,114	67,640,099	32,276,322	1,924,052	76,815,561	329,146,246
Net commission income	6,534,141	1,067,632	1,574,815	-	1,161	4,220,840	13,398,589
Net Underwriting income	121,287,239	36,804,746	69,214,914	32,276,322	1,925,213	81,036,401	342,544,835
Insurance claims	(228,131,738)	(33,964,497)	(61,746,543)	(58,330,793)	-	(19,191,130)	(401,364,701)
Insurance claims recovered from reinsurers	144,768,756	12,251,576	19,528,473	-	-	2,811,674	179,360,479
Net claims	(83,362,982)	(21,712,921)	(42,218,070)	(58,330,793)	-	(16,379,456)	(222,004,222)
Commission expense	(45,041,911)	(11,416,158)	(9,651,845)	(1,616,801)	(307,363)	(17,069,642)	(85,103,720)
Management expenses	(79,617,343)	(21,101,877)	(33,270,338)	(421,173)	(2,326,879)	(48,587,308)	(185,324,919)
Premium deficiency expense	-	318,953	-	14,631,178	-	-	14,950,131
Net insurance claims and expenses	**(207,803,481)**	**(53,854,024)**	**(85,048,840)**	**(45,736,432)**	**(2,627,849)**	**(81,902,909)**	**(477,482,730)**
Underwriting result	**(86,516,242)**	**(17,049,278)**	**(15,833,926)**	**(13,460,110)**	**(702,636)**	**(866,508)**	**(134,937,895)**
Investment income							167,841,827
Other income							19,729,770
Other expenses							(24,479,334)
Finance cost							(3,024,942)
Profit before tax from window tafakul operations - Operator's Fund							9,497,509
							169,564,830
Results of operating activities							34,626,935
Segment Assets	212,627,461	56,355,041	88,852,343	1,124,793	6,214,204	129,758,111	494,931,953
Unallocated Assets							1,215,920,624
Assets - Operator's Fund							141,042,212
Assets - Participants' Takaful Fund							174,845,067
Total Assets							2,026,739,856
Segment liabilities	338,828,936	89,803,634	141,589,166	1,792,395	9,902,541	206,773,869	788,690,541
Unallocated liabilities							150,630,040
Liabilities - Operator's Fund							76,628,735
Liabilities - Participants' Takaful Fund							174,845,067
Total liabilities							1,190,794,383

December 31, 2024	Fire and property damage	Marine, aviation and transport	Motor	Accident and health	Bond	Other classes	2024 Aggregate
	Rupees						
Premium receivable (inclusive of federal excise duty, federal insurance fee and administrative surcharge)	239,364,238	96,405,558	90,755,129	83,867,724	2,359,882	57,315,645	570,068,176
Less : Federal excise duty / Sales Tax	13,443,157	7,687,851	8,750,412	-	271,661	3,938,784	34,091,865
Federal insurance fee	890,997	728,353	590,289	613,920	17,947	266,020	3,107,526
Others	76,405	5,245,591	124,150	1,200	12,300	135,069	5,594,715
Gross written premium (inclusive of administrative surcharge)	**224,953,679**	**82,743,763**	**81,290,278**	**83,252,604**	**2,057,974**	**52,975,772**	**527,274,070**
Gross direct premium	86,345,028	70,480,253	57,615,402	83,234,604	1,735,578	26,194,172	325,605,037
Facultative inward premium	137,114,604	10,372,879	22,465,406	-	263,861	26,385,099	196,601,849
Administrative surcharge	1,494,047	1,890,631	1,209,470	18,000	58,535	396,501	5,067,184
	224,953,679	**82,743,763**	**81,290,278**	**83,252,604**	**2,057,974**	**52,975,772**	**527,274,070**
Insurance premium earned	211,235,501	82,760,431	74,356,104	68,110,726	241,057	53,710,971	490,414,790
Reinsurance expense	(53,122,067)	(28,327,823)	(12,303,034)	-	-	(26,690,584)	(120,443,508)
Net insurance premium	158,113,434	54,432,608	62,053,070	68,110,726	241,057	27,020,387	369,971,282
Net commission income	2,266,371	976,547	1,081,441	-	-	191,950	4,516,309
Net Underwriting income	**160,379,805**	**55,409,155**	**63,134,511**	**68,110,726**	**241,057**	**27,212,337**	**374,487,591**
Insurance claims	(68,653,806)	(53,063,068)	(53,785,287)	(95,220,107)	-	(6,934,266)	(277,656,534)
Insurance claims recovered from reinsurers	6,779,399	18,948,369	26,471,856	-	-	(751,588)	51,448,036
Net claims	(61,874,407)	(34,114,699)	(27,313,431)	(95,220,107)	-	(7,685,854)	(226,208,498)
Commission expense	(51,509,189)	(20,338,644)	(9,346,805)	(5,455,031)	(204,407)	(11,898,558)	(98,752,634)
Management expenses	(71,491,811)	(26,296,531)	(25,834,603)	(26,458,244)	(654,038)	(16,836,061)	(167,571,288)
Premium deficiency expense	-	(208,185)	-	(9,626,337)	-	-	(9,834,522)
Net insurance claims and expenses	**(184,875,407)**	**(80,958,059)**	**(62,494,839)**	**(136,759,719)**	**(858,445)**	**(36,420,473)**	**(502,366,942)**
Underwriting result	**(24,495,602)**	**(25,548,904)**	**639,672**	**(68,648,993)**	**(617,388)**	**(9,208,136)**	**(127,879,351)**
Investment income							159,373,020
Other income							28,697,384
Other expenses							(8,675,550)
Finance cost							(3,178,381)
Profit before tax from window tafakul operations - Operator's Fund							6,742,280
							182,958,753
Results of operating activities							**55,079,402**
Segment Assets	**235,360,368**	**42,398,203**	**53,717,490**	**31,788,190**	**2,107,046**	**24,231,982**	**389,603,279**
Unallocated Assets							1,194,806,975
Assets - Operator's Fund							81,318,308
Assets - Participants' Takaful Fund							79,001,424
Total assets							1,744,729,986
Segment liabilities	**330,745,583**	**74,804,659**	**91,514,056**	**133,946,743**	**1,002,861**	**25,776,544**	**657,790,446**
Unallocated liabilities							**157,434,219**
Liabilities - Operator's Fund							**23,648,062**
Liabilities - Participants' Takaful Fund							**79,001,424**
Total liabilities							**917,874,151**

40. MOVEMENT IN INVESTMENTS

	Held to maturity	FVTPL	Available for sale	Total
	Rupees			
At beginning of previous year	298,554,200	-	165,355,174	463,909,374
Additions	768,959,330	-	-	768,959,330
Disposals (redemptions)	(540,000,000)	-	(20,231,932)	(560,231,932)
Fair value net gains (Excluding net realised gains)	-	-	99,711,770	99,711,770
Classified as held for trading	-	-	-	-
Amortisation of discount	59,736,482	-	-	59,736,482
Impairment losses - net of reversal	-	-	16,911,806	16,911,806
At beginning of current year	587,250,012	-	261,746,818	848,996,830
Additions	638,415,344	5,000,000	34,606,880	678,022,224
Disposals	(545,000,000)	133,873	(63,091,258)	(607,957,385)
Fair value net gains (Excluding net realised gains)	-	-	(18,966,689)	(18,966,689)
Classified as held for trading	-	-	-	-
Amortisation of discount	30,994,644	-	-	30,994,644
Impairment losses - net of reversal	-	-	1,646,900	1,646,900
At end of current year	711,660,000	5,133,873	215,942,651	932,736,524

41. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

Insurance Risk

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

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

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

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

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

Frequency and severity of claims

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

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

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

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

	2025 Maximum Gross Risk Exposure	2024 Maximum Gross Risk Exposure
	----------Rupees----------	
Fire and property damage	1,138,250,000	2,276,500,000
Marine, aviation and transport	714,808,905	1,219,578,119
Motor	50,000,000	52,000,000
Health	150,000	3,000,000
Miscellaneous	2,000,000,000	1,939,447,238

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

Sources of Uncertainty in the estimation of future claims payments

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

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

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

Key assumptions

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

management uses qualitative judgment to assess the extent to which past occurrence and reporting pattern will not apply in future. The judgment includes external factors e.g. treatment of one-off occurrence claims, changes in market factors, economic conditions, etc. The internal factors such as portfolio mix, policy conditions and claim handling procedures are further used in this regard.

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

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

	2025	2024
Class	**Assumed net loss ratio**	
Fire and property damage	73%	39%
Marine, aviation and transport	61%	63%
Motor	62%	44%
Health	181%	140%
Others	21%	28%

Sensitivity analysis

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

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

	Pre tax profit / (loss)		Shareholders' equity	
	2025	2024	2025	2024
	Rupees			
10% increase in loss	(22,200,422)	(22,620,850)	(22,200,422)	(22,620,850)
10% decrease in loss	22,200,422	22,620,850	22,200,422	22,200,422

Claims development

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

Geographical concentration of insurance risk

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

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

	2025	2024
	----------Rupees----------	

42. FINANCIAL RISKS

42.1 Financial instruments by category

Financial assets		
Loans and other receivables	48,694,171	75,311,758
Insurance / reinsurance receivables	179,247,514	192,822,757
Reinsurance recoveries against outstanding claims	226,867,270	122,581,102
Cash and bank balances	36,724,835	99,403,200
Total Financial assets of Window Takaful Operations - OPF and PTF	315,887,279	160,319,732
Available for sale		
Investments - equity securities	215,942,651	261,746,818
Held-to- maturity		
Investments - Debt securities	711,660,000	587,250,012
Financial liabilities		
At amortized cost		
Outstanding claims including IBNR	411,076,440	280,599,160
Lease liabilities	10,313,915	12,305,453
Insurance / reinsurance payables	229,411,822	164,136,155
Other creditors and accruals	113,550,399	94,240,621
Unclaimed dividend	3,001,450	3,001,450
Total liabilities of Window Takaful Operations - OPF and PTF	251,473,802	102,649,486

42.2 Financial risk management

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

- Market risk
- Credit risk
- Liquidity risk

42.2.1 - Market risk

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

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

a) Interest rate risk

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

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

Maturity profile of financial assets and liabilities:

	31 December 2025						
	Interest / mark-up bearing			Non Interest / mark-up bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
	Rupees						
Financial assets							
Investments	-	711,660,000	711,660,000	-	-	-	711,660,000
Loans and other receivables	-	-	-	48,694,171	-	48,694,171	48,694,171
Insurance / reinsurance receivables	-	-	-	179,247,514	-	179,247,514	179,247,514
Reinsurance recoveries against outstanding claims	-	-	-	226,867,270	-	226,867,270	226,867,270
Cash and bank	23,591,374	-	23,591,374	13,133,461	-	13,133,461	36,724,835
Total assets of Window Takaful Operations - OPF and PTF	41,700,438	-	41,700,438	274,186,841	-	274,186,841	315,887,279
	65,291,812	**711,660,000**	**776,951,812**	**742,129,257**	-	**742,129,257**	**1,519,081,069**
Financial liabilities							
Underwriting Provision for outstanding claims including IBNR	-	-	-	411,076,440	-	411,076,440	411,076,440
Insurance / reinsurance payables	-	-	-	229,411,822	-	229,411,822	229,411,822
Lease liabilities	-	-	-	2,883,363	7,430,552	10,313,915	10,313,915
Other creditors and accruals	-	-	-	113,550,399	-	113,550,399	113,550,399
Total liabilities of Window Takaful Operations - OPF and PTF	-	-	-	251,473,802	-	251,473,802	251,473,802
	-	-	-	1,008,395,826	7,430,552	1,015,826,378	1,015,826,378
Interest rate risk sensitivity gap	**65,291,812**	**711,660,000**	**776,951,812**				
Cumulative interest rate risk sensitivity gap	**65,291,812**	**776,951,812**					

	31 December 2024						
	Interest / mark-up bearing			Non Interest / mark-up bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
	Rupees						
Financial assets							
Investments	-	587,250,012	587,250,012	-	-	-	587,250,012
Loans and other receivables	-	-	-	75311758	-	75,311,758	75,311,758
Insurance / reinsurance receivables	-	-	-	192,822,757	-	192,822,757	192,822,757
Reinsurance recoveries against	-	-	-				
outstanding claims	-	-	-	122,581,102	-	122,581,102	122,581,102
Cash and bank	93,508,126	-	93,508,126	5,895,074	-	5,895,074	99,403,200
Total assets of Window Takaful Operations - OPF and PTF	89,583,120.27	-	89,583,120	70,736,612	-	70,736,612	160,319,732
	183,091,246	587,250,012	770,341,258	467,347,303	-	467,347,303	1,237,688,561
Financial liabilities							
Underwriting Provision for outstanding claims including IBNR	-	-	-	280,599,160	-	280,599,160	561,198,320
Insurance / reinsurance payables	-	-	-	164,136,155	-	164,136,155	328,272,310
Other creditors and accruals	-	-	-	94,240,621	-	94,240,621	188,481,242
Lease liabilities	-	-	-	1,991,538	10,313,915	12,305,453	14,296,991
Total liabilities of Window Takaful Operations - OPF and PTF			-	102,649,486	-	102,649,486	205,298,972
	-	-		643,616,960	10,313,915	653,930,875	1,297,547,835
Interest rate risk sensitivity gap	**183,091,246**	**587,250,012**	**770,341,258**				
Cumulative interest rate risk sensitivity gap	**183,091,246**	**770,341,258**					

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Currency risk

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

Other price risk

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

42.2.2 Credit risk

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

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

		December 31, 2025		December 31, 2024	
		Balance as per the financial statement	Maximum exposure	Balance as per the financial statement	Maximum exposure
	Note	---------- Rupees ----------			
Bank balances		36,724,835	36,724,835	99,403,200	99,403,200
Loans and other receivables		48,694,171	48,694,171	75,311,758	75,311,758
Insurance / reinsurance receivables		179,247,514	179,247,514	192,822,757	192,822,757
Reinsurance recoveries against outstanding claims		226,867,270	226,867,270	122,581,102	122,581,102
		606,330,653	606,330,653	490,118,817	490,118,817

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

	Rating		Rating Agency
	Short term	Long term	
National Bank of Pakistan Limited	A1+	AAA	VIS
Allied Bank Limited	A1+	AAA	PACRA
MCB Bank Limited	A1+	AAA	PACRA
Soneri Bank Limited	A1+	AA-	PACRA
United Bank Limited	A1+	AAA	VIS
JS Bank Limited	A1+	AA-	PACRA
Meezan Bank Limited	A1+	AAA	VIS

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

	Amount due from other insurers / reinsurers	Reinsurance and other recoveries against outstanding claims	Prepaid reinsurance premium ceded	2025	2024
A or above (including PRCL)	127,765,451	33,943,838	1,182,148	162,891,437	265,416,029
A -	11,960,656	22,578,428	37,828,735	72,367,819	64,126,804
BBB	-	-	-	-	577,543
Others	2,125,126	44,753,326	8,275,036	55,153,488	54,784,991
	141,851,233	101,275,592	47,285,919	290,412,744	384,905,367

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

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

Up to 1 year	157,554,488	152,807,597
1 -2 years	39,233,542	41,193,092
2 - 3 years	8,305,025	7,783,440
Over 3 years	47,662,743	47,637,686

42.2.3 Liquidity risk

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

The following are the contractual maturities of financial liabilities:

	2025		
	Carrying Amount	Upto one year	Greater than one year
	Rupees		
Non-Derivative Financial Liabilities			
Outstanding claims including IBNR	411,076,440	411,076,440	-
Insurance / reinsurance payables	145,046,944	145,046,944	-
Other creditors and accruals	108,753,092	108,753,092	-
Lease Liabilities	10,313,915	2,883,363	7,430,552
Total liabilities of Window Takaful Operations - OPF and PTF	251,473,802	251,473,802	-
	926,664,193	919,233,641	7,430,552

	2024		
	Carrying Amount	Upto one year	Greater than one year
	Rupees		
Non-Derivative Financial Liabilities			
Outstanding claims including IBNR	280,599,160	280,599,160	-
Insurance / reinsurance payables	164,136,155	164,136,155	-
Other creditors and accruals	91,746,332	91,746,332	-
Lease Liabilities	12,305,453	1,991,538	10,313,915
Total liabilities of Window Takaful Operations - OPF and PTF	102,649,486	102,649,486	
	651,436,586	641,122,671	10,313,915

42.3 Operational Risk

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

43. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

	As at December 31, 2025	Level 1	Level 2	Level 3	As at December 31, 2024	Level 1	Level 2	Level 3
	---------- Rupees ----------				---------- Rupees ----------			
Financial assets measured at fair value								
Available-for-sale - Listed equity securities	215,942,651	215,942,651	-	-	261,746,818	261,746,818	-	-
Financial assets not measured at fair value								
Held-to-maturity - Government securities	716,793,873	-	716,793,873	-	587,250,012	-	587,250,012	-
	932,736,524	215,942,651	716,793,873	-	848,996,830	261,746,818	587,250,012	-

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

44 CAPITAL MANAGEMENT

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

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

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

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

45. CORRESPONDING FIGURES

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

46. NUMBER OF EMPLOYEES

	2025	2024
	----------Number----------	
Number of employees at beginning of the year	75	76
Number of employees as at year end	81	75
Average number of employees during the year	78	74

47. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the year end, geopolitical situation in the Middle East escalated significantly following the outbreak of war which is seriously effecting economy of the world. In Pakistan, the inflation is increasing due to increase in prices which has adverse effect on economy. As Pakistan Stock Exchange (PSX) reacted to increased uncertainty, equity markets experienced volatility, with declines observed across several scrips and sectors. The Company holds investments in publicly listed companies, that are exposed to market conditions. Preliminary assessments indicates that the fair value of certain investments may have declined after the reporting date. Management continues to monitor the situation closely and is undertaking a circumstances not existing at the balance sheet date, they represent non adjusting events as defined under IAS 10 Events after the Reporting Period.

48. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on April 09, 2026.

49. GENERAL

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

Chief Executive Officer | Director | Director | Chairman

Financial Statement of

alpha

Window Takaful Operations

Management Statement Of Compliance With Shariah Rules And Principles

The financial arrangements, contracts, and transactions entered into by Alpha Insurance Company Limited (Window Takaful Operation) referred to as 'Operator' herein after for the year ended 31st December 2025 comply with Takaful Rules, 2012.

Further, we confirm that:

1. The Window Takaful Operation (WTO) comply within a Shariah governance framework where all product offerings are approved by a dedicated Shariah Advisor who ensure strict shariah compliance at the granular level.

2. The transactions entered into, by the WTO and the Waqf, as the case may be for the year Ended 31st December 2025, are in compliance with the requirements of the Shariah guidelines as prescribed by the Shariah Advisor and the Takaful Rules. 2012

3. The WTO has imparted trainings / orientations and ensured availability of all manuals approved by the Shariah Advisor and the Board Of Directors to maintain an adequate level of awareness, capacity and sensitization of the staff and management

4. The WTO offers a diversified range of Shariah-Compliant product offerings to its participants. All products have been approved by the Shariah Advisor and the financial arrangements including investments, investment policies, contracts and transactions performed by the company are in accordance with the guidelines and policies approved by the Shariah Advisor.

5. The assets and liabilities of Takaful Operations (Participants Takaful Fund) are segregated from the company's other assets and liabilities of WTO at all times in accordance with the provisions of Takaful Rules, 2012.

I hereby confirm the statement of compliance with Shariah Rules and principles for the year ended 31st December 2025 by the management of Alpha Insurance Company Limited (Window Takaful Operation)

Liaqut Ali Qamar
Shariah Compliance Officer
WTOs

Date: April 09, 2026

BDO

Tel: +92 21 3568 3030
Fax: + 92 21 35684239
www.bdo.com.pk

2nd Floor, Block C
Lakson Square, Building No. 1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT REASONABLE ASSURANCE REPORT TO THE BOARD OF DIRECTORS

On the Statement of Management's Assessment of Compliance with the Takaful Rules, 2012

Scope

We have been engaged by Alpha Insurance Company Limited (the Operator) to perform a 'reasonable assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the Engagement, to report on the management's assessment of compliance of the Window Takaful Operations (Takaful Operations) of the Operator, as set out in the annexed Statement of Compliance (the Statement) prepared by the management for the year ended December 31, 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion on this information.

Criteria applied by the management

In preparing the subject matter, the management applied the criteria in accordance with the Takaful Rules, 2012 (Criteria).

The Management's responsibilities

The management is responsible for selecting the Criteria, and for presenting the subject matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

BDO's responsibilities

Our responsibility is to express an opinion on the presentation of the subject matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with the Operator on July 03, 2025. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the subject matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our Independence and Quality Management

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 Standard on Quality Management 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements"

BDO

and accordingly maintains a comprehensive system of quality control including documented policies andprocedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

- We checked that all the products and policies have been approved by Shariah Advisor and observed that the Operator has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and Shariah Rules and Principles as determined by Shariah Advisor.
- We checked that the assets and liabilities of Window Takaful Operations (Participants' Takaful Fund and Operator's fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.
- We reviewed training certificates and attendance sheets to evaluate that the Operator has imparted necessary trainings and orientations to maintain the adequate level of awareness, capacity, and sensitization of the staff and management.
- We have designed and performed following verification procedures (including but not limited to) on various financial arrangements, based on judgmental and systematic samples with regard to the compliance with Takaful Rules, 2012 and Shariah Rules and Principles:
  - We obtained details of investments made and checked that all investments are made in Shariah Compliant stocks as determined by Shariah Advisor;
  - We inquired regarding other investments like fixed deposits to confirm that all such contracts are executed with Islamic Financial Institutions;
  - We reviewed re-takaful and co-takaful parties along with arrangements / contracts entered into by Window Takaful Operations to assess compliance with Shariah Advisor guidelines and Takaful Rules, 2012; and
  - We re-calculated Operator's profit share and Wakalah fee income to confirm that approved percentage are applied on income from investments and contribution respectively

The procedures selected by us for the engagement depended on our judgment, including the assessment of the, risks of the Operator's material non-compliance with the Takaful Rules 2012, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Operator's compliance with the Takaful Rules, 2012, in order to design assurance procedures that are appropriate in the circumstances but not for the purpose of expressing a conclusion as to the effectiveness of the Operator's internal control over the Takaful Operations' compliance with the Takaful Rules, 2012. A system of internal control, because of its nature, may not prevent or detect all instances of non- compliance with the Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with the Takaful Rules, 2012 will be met. Further, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

In performing our audit procedures necessary guidance on Shariah matters was provided by the independent Shariah expert.

Opinion

In our opinion, the Statement of Compliance of the Takaful Operations of the Operator as of December 31, 2025 is presented, in all material respects, in accordance with Takaful Rules, 2012.

KARACHI:

DATED: April 26, 2026

BDO Ebrahim

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

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

Shariah Advisor Report to the Board of Directors

For the year ended 31 December 2025

الحمدالله رب العلمين والصلاة والسلام على سيدالانبيا ء والمرسلين محمد النبى الامى وعلى اله وصحبه اجمعين وبعد.

We have reviewed the accompanying financial statements of Alpha Insurance Company Limited Window Takaful Operation (hereafter referred as "The Operator") for the year ended 31 December 2025.

We acknowledge that as a Shariah Advisor of the Operator, it is Shariah Department's responsibility to ensure that the financial arrangements, contracts and transactions under taken by the Operator with its participants and stakeholders are compliant with the requirements of Shariah rules and principles.

As per the charter of the Operator it is mandatory on the management and employees to ensure application of Shariah guidelines issued by the Shariah Advisor and to ensure Shariah compliance in all actives of the Company. The prime responsibility for ensuring Shariah compliance of the Operator's operations thus lies with the managements.

To form our opinion as expressed in this report, we have reviewed all types of business transactions of the Operator during the year 2025. Based on above, we are of the view that under Takaful Rule 2012.

I. The financial arrangements products and transactions entered into by the Operator and the Waqf, as the case may be for the year ended December 31, 2025 are incompliance with the requirements of the Shariah rules and guidelines as prescribed by the Shariah Advisor.

II. The Operator strived to identify new investment avenues and opted different available options that delivered excellent results. During the year management continuously consulted with the Shariah advisor on the matters and market practices relating to investment activities. The investment avenues and locations selected by the investment manager were periodically reviewed by the Shariah Department and are found Shariah compliant and in conformity with the Shariah guidelines issued by the Shariah Advisor.

III. Few minor cases which had some irregularities from the Shariah perspective were discussed with the management and duly resolved. Furthermore, the management of the Takaful Operator has been advised to strictly follows Shariah compliance in future.

IV. The Shariah Department has provided Basic Takaful training to the staff of the window Takaful operations. Meanwhile, the mandatory training on Takaful Concept and practices was also organized for executive level & sales staff as well.

V. The Operator should more focus towards enhancing the skills and knowledge for the all staff of Window Takaful related to the Shariah structure of the company and on Takaful Concept and practices. The Operator should organize the more sessions for executive level & sales staff as well around the country.

VI. Consequently, we have found that the company is in accordance with the Shariah principals with respect to all transactions.

May Allah bless us with the best Tawfeeq to achieve this precious tasks and bestow us with success in this world and in the world hereafter and forgive us for our mistakes . A'ameen.

Mufti Sajjad Ashraf Usmani
Shariah Advisor
Alpha Insurance Company
Window Takaful Operations

Date: May 09, 2026

BDO

Tel: +92 21 3568 3030
Fax: + 92 21 35684239
www.bdo.com.pk

2nd Floor, Block C
Lakson Square, Building No. 1
Sarwar Shaheed Road
Karachi-74200
Pakistan

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

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and, to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in Operator's and Participants' takaful funds and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Operator's affairs as at December 31, 2025 and of the profit / deficit, total comprehensive income / loss , the changes in Operator's fund and Participants' takaful fund and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter:

We draw attention to Note 31 to the financial statements, which indicates that the Company has complied with the minimum solvency requirement prescribed by the Securities and Exchange Commission of Pakistan; however, the available solvency margin exceeds the required solvency margin by a limited amount after allocation of investment by Operator's Fund to Participants' takaful funds, which may indicate sensitivity to adverse future developments. Our opinion is not modified in respect of this matter.

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

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the 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.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Operator to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

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

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

b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in Operator's fund and Participants' takaful funds and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Operator's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for year ended December 31, 2024 were audited by another firm of Chartered Accountants who have expressed an unmodified opinion vide their report dated May 21, 2025.

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

KARACHI

DATED: April 29, 2026

BDO Ebrahim

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UDIN: AR202510110YjXzv09Sw

Statement of Financial Position

As at December 31, 2025

	Note	Operator's Fund 2025	Operator's Fund 2024	Participant's Fund 2025	Participant's Fund 2024
		Rupees			
ASSETS					
Qard-e-hasna contributed to PTF		46,209,633	25,000,000	-	-
Investments					
Mutual Funds	6	15,805,678	-	23,261,702	-
Takaful / retakaful receivables	7	-	-	41,979,523	10,107,008
Reinsurance Recoverable	17	-	-	3,915,971	626,028
Deferred wakala expense	18	-	-	10,820,036	8,290,890
Deferred commission expense	20	3,702,764	3,282,754	-	-
Receivable from OPF/PTF	8	42,193,548	11,716,563	-	-
Other receivables	9	32,598,409	-	41,195,407	887,926
Taxation - payments less provision		-	514,327	1,095,398	507,879
Prepayments	10	-	-	11,408,772	9,803,237
Cash and bank	11	532,180	40,804,664	41,168,258	48,778,456
TOTAL ASSETS		141,042,212	81,318,308	174,845,067	79,001,424
FUNDS AND LIABILITIES					
Funds attributable to:					
Operator's Fund (OPF)					
Statutory fund		50,000,000	50,000,000	-	-
Unappropriated profit		14,413,477	7,670,246	-	-
Total Operator's Fund		64,413,477	57,670,246	-	-
Participant's Takaful Fund (PTF)					
Ceded money		-	-	500,000	500,000
Accumulated deficit		-	-	(36,358,670)	(18,613,794)
Balance of Participant's Takaful Fund		-	-	(35,858,670)	(18,113,794)
Qard-e-Hasna		-	-	46,209,633	25,000,000
LIABILITIES					
PTF underwriting provisions					
Outstanding claims including IBNR	17	-	-	22,842,065	8,437,126
Unearned contribution reserve	15	-	-	34,788,017	26,817,572
Reserve for unearned retakaful rebate	16	-	-	367,811	317,169
Contribution deficiency reserves		-	-	5,422,786	3,514,142
		-	-	63,420,679	39,086,009
Unearned wakala fee	18	10,820,036	8,290,890	-	-
Contribution received in advance		-		2,821,678	144,840
Takaful / retakaful payables	12	-	-	22,196,477	11,207,323
Other creditors and accruals	13	63,929,712	15,357,172	33,861,722	9,960,483
Taxation - payments less provision		1,878,987	-	-	-
Payable to OPF		-	-	42,193,548	11,716,563
TOTAL LIABILITIES		76,628,735	23,648,062	164,494,104	72,115,218
TOTAL FUND AND LIABILITIES		141,042,212	81,318,308	174,845,067	79,001,424
CONTINGENCIES AND COMMITMENTS	14				

The annexed notes from 1 to 34 form an integral part of these financial statements.

Chief Executive Officer | Director | Director | Chairman

Profit and Loss Account

For the year ended December 31, 2025

	Note	2025	2024
		----------Rupees----------	
Participants' Takaful Fund - (PTF) Revenue account			
Contribution earned - net of wakala fee	15	73,645,765	27,148,006
Less: Contribution ceded to retakaful	15	(25,802,047)	(23,026,647)
Net contribution revenue		47,843,718	4,121,359
Re-takaful rebate earned	16	782,520	654,898
Net underwriting income		48,626,238	4,776,257
Net claims - reported / settled / IBNR - net	17	(66,100,587)	(19,622,047)
Charge / (reversal) of contribution deficiency reserve		(1,908,644)	(3,514,142)
Other direct expenses	19	(1,568,613)	(600,793)
Deficit before investment income		(20,951,606)	(18,960,725)
Investment income	23	52,069	-
Other income		3,323,436	2,821,206
Less: Modarib's share of investment income		(168,775)	-
Deficit for the year		(17,744,876)	(16,139,519)
Operator's Fund - (OPF) Revenue account			
Wakala fee - net	18	32,722,978	14,892,500
Commission expense	20	(10,568,245)	(8,108,189)
General, administrative and management expenses	21	(15,737,160)	(5,910,866)
		6,417,573	873,445
Modarib's share of PTF investment income		168,775	-
Investment income	23	2,015,311	1,567,662
Other income	24	1,802,193	5,012,472
Other expenses	25	(906,343)	(711,299)
Profit before income tax		9,497,509	6,742,280
Taxation	26	(2,754,278)	(1,955,261)
Profit after income tax		6,743,231	4,787,019

The annexed notes from 1 to 34 form an integral part of these financial statements.

Chief Executive Officer | Director | Director | Chairman

Statement of Comprehensive Income

For the year ended December 31, 2025

	Note	2025	2024
		----------Rupees----------	
Participants' Takaful Fund			
Deficit for the year		(17,744,876)	(16,139,519)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		(17,744,876)	(16,139,519)
Operator's Fund			
Profit for the year		6,743,231	4,787,019
Other comprehensive income		-	-
Total comprehensive income for the year		6,743,231	4,787,019

The annexed notes from 1 to 34 form an integral part of these financial statements.

Chief Executive Officer | Director | Director | Chairman

Statement of Cash Flows

For the year ended December 31, 2025

	Operator's Fund		Participant's Takaful Fund	
	2025	2024	2025	2024
Note	Rupees			
Operating Cash flows				
(a) Takaful activities				
Contribution received	-	-	52,420,532	65,307,696
Re-takaful and other recoveries received	-	-	46,613,013	1,005,857
Re-takaful contributions paid	-	-	(16,418,428)	(22,199,774)
Claims paid	-	-	(65,056,536)	(13,307,288)
Re-takaful claims recovered	-	-	(3,289,943)	-
Re-takaful rebate received	-	-	833,162	599,957
Net cash inflows / (outflows) from takaful activities	-	-	15,101,800	31,406,448
(b) Other operating activities				
Income tax paid	(1,798,723)	(2,447,570)	(587,519)	(449,627)
Commission paid	(9,617,548)	(7,391,296)	-	-
Wakala/ Mudarib fee received / (paid)	35,252,124	25,000,000	(35,252,124)	(25,000,000)
Other operating receipts / (payments)	(33,094,616)	(7,577,840)	9,804,209	5,466,733
Net cash (outflows) / inflows from operating activities	(9,258,763)	7,583,294	(26,035,434)	(19,982,894)
Total cash (outflows) / inflows from all operating activities	(9,258,763)	7,583,294	(10,933,634)	11,423,554
(c) Investment activities				
Profit / return received	3,986,279	7,675,999	3,323,436	2,821,206
Payments for investments	(13,790,367)	25,000,000	(21,209,633)	-
Total cash inflows / (outflows) from investing activities	(9,804,088)	32,675,999	(17,886,197)	2,821,206
(d) Financing activities				
Qard e Hasna (paid) / received	(21,209,633)	(25,000,000)	21,209,633	25,000,000
Total cash outflows from financing activities	(21,209,633)	(25,000,000)	21,209,633	25,000,000
Net cash flow from all activities	(40,272,484)	15,259,293	(7,610,198)	39,244,760
Cash and cash equivalents at beginning of year	40,804,664	25,545,371	48,778,456	9,533,696
Cash and cash equivalents at end of the year	532,180	40,804,664	41,168,258	48,778,456
Reconciliation to profit and loss account				
Operating cash flows	(9,258,763)	7,583,294	(10,933,634)	11,423,554
Profit / return received	1,970,968	5,012,472	(17,886,197)	2,821,206
Investment income	2,015,311	2,663,527	-	-
Increase in assets other than cash	62,981,076	862,162	80,192,140	4,700,024
Increase in liabilities	(50,965,361)	(11,334,436)	(69,117,185)	(35,084,303)
Profit / (deficit) for the year	6,743,231	4,787,019	(17,744,876)	(16,139,519)
Attributed to:				
Operator's Fund	6,743,231	4,787,019	-	-
Participants' Takaful Fund	-	-	(17,744,876)	(16,139,519)
	6,743,231	4,787,019	(17,744,876)	(16,139,519)

The annexed notes from 1 to 34 form an integral part of these financial statements.

Chief Executive Officer | Director | Director | Chairman

Statement of Changes in Operator's Fund and Participants' Takaful Fund

For the year ended December 31, 2025

	Operator's Fund		
	Statutory Fund	Unappropriated profit	Total
	----------Rupees----------		
Balance as at January 01, 2024	50,000,000	2,883,227	52,883,227
Profit for the year	-	4,787,019	4,787,019
Other comprehensive income	-	-	-
Balance as at December 31, 2024	50,000,000	7,670,246	57,670,246
Profit for the year	-	6,743,231	6,743,231
Other comprehensive income	-	-	-
	-	6,743,231	6,743,231
Balance as at December 31, 2025	50,000,000	14,413,477	64,413,477

	Participants' Takaful Fund		
	Ceded Money	Unappropriated Deficit	Total
	----------Rupees----------		
Balance as at January 01, 2024	500,000	(2,474,275)	(1,974,275)
Addition during the year	-	-	-
Deficit for the year	-	(16,139,519)	(16,139,519)
Other comprehensive income	-	-	-
Balance as at December 31, 2024	500,000	(18,613,794)	(18,113,794)
Deficit for the year	-	(17,744,876)	(17,744,876)
Other comprehensive income	-	-	-
Balance as at December 31, 2025	500,000	(36,358,670)	(35,858,670)

The annexed notes from 1 to 34 form an integral part of these financial statements.

Chief Executive Officer | Director | Director | Chairman

Notes to the Financial Statements

For the year ended December 31, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

Alpha Insurance Company Limited (the Operator) has been authorized to undertake Window Takaful Operations (WTO) on November 21, 2022 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. The registered office of the Company is situated at 4th Floor, Building # 1-B, State Life Square, I. I. Chundrigar Road, Karachi.

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

1.1 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

Head office - Registered Office

4th Floor, Building # 1-B, State Life Square, Off. I.I. Chundrigar Road, Karachi, Province of Sindh, Pakistan.

Branches
i) Province of Punjab, Pakistan:
- 4th Floor-Bank Square, 'Shahrah-e-Quaid-e-Azam, the Mall, Lahore.
- 6th Floor, 'State Life Building, Liaquat Road, Faisalabad.
- 1st floor, Room 1 & 2, Hajvairee Arcade, Kutchery Road, Multan.

ii) Province of Sindh, Pakistan:
- Office.406, 4th Floor, Business and Finance Center, Opp. State Bank of Pakistan, Karachi-Main Branch.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Karachi-North Branch.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Karachi-South Unit.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Karachi-South Division.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Karachi-Eastern Branch.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Corporate Branch.
- State Life Building No. 1-b, 4th Floor, State Life Square, I.I.Chundrigarh Road, Central Branch.

iii) Islamabad Capital Territory
- Ground Floor, State Life Building # 5, China Chowk, Jinnah Avenue Blue Area, Islamabad branch.
- Ground Floor, State Life Building # 5, China Chowk, Jinnah Avenue Blue Area-Blue area branch.

2. BASIS OF PREPARATION

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:

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

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

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

The Securities and Exchange Commission of Pakistan (SECP) wide the Insurance Rules, 2017 dated February 9, 2017 has prescribed the format of presentation of annual financial statements for general insurance companies. These financial statements have been prepared in accordance with the format prescribed by the SECP.

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

2.2 Basis of measurement

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

2.3 Functional and Presentation Currency

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

2.4 Temporary exemption from IFRS 17

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

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

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

2.5 IFRS 9 - Financial Instruments

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

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

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

b) all other financial assets:

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

	2025			
	Fail the SPPI Test	Pass the SPPI Test		
	Fair Value	Carrying Value	Cost less impairment	
	Rupees			
Operator's Fund				
Financial assets				
Investments				
- Mutual funds - fair value through profit or loss	15,805,678	-	-	-
other receivables	32,598,409	-	-	-
Cash and bank	532,180	-	-	-
TOTAL	48,936,267	-	-	-

	2025			
	Fail the SPPI Test	Pass the SPPI Test		
	Fair Value	Carrying Value	Cost less impairment	
Participant's Takaful Fund	Rupees			
Financial assets				
Investments				
- Mutual funds - fair value through profit or loss	23,261,702	-	-	-
other receivables	41,195,407	-	-	-
Cash and bank	41,168,258	-	-	-
TOTAL	105,625,367	-	-	-

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

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

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

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

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

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

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

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 'Presentation and Disclosures in Financial Statements'	January 01, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 01, 2027

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

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

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

3.3 Temporary exemption from application of IFRS 9

IFRS 9 'Financial Instruments' and amendment replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It has also carried forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from July 01, 2018 onwards to remove from profit and loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied. Fair value measurement of Financial Instruments as at December 31, 2025, is presented in note 32 of the financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 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 Participants Takaful Fund (PTF) has been 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 cf 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. These contracts are entered with group companies, corporate clients, and individuals residing or located in Pakistan. Once a contract has been classified as an takful contract, it remains a takaful contract for the remainder of its period, even if the takaful risk reduces significantly during this period, unless all rights and liabilities are extinguished or expired.

Takaful contracts are classified into following main categories:

4.1.1 Fire and property

The perils covered under fire insurance include damages caused by fire, riot and strike, explosion, earthquake, atmospheric damage, flood, electric fluctuation, impact and other coverage.

4.1.2 Marine and transport

Marine and transport takaful provides coverage against cargo risk, war risk and damages occurring in inland transit.

4.1.3 Motor

Motor takaful provides comprehensive car coverage and indemnity against third party loss.

4.1.4 Other classes

Other classes includes mainly bond, liability, engineering, etc.

4.2 Commission expense

Commission incurred in obtaining and recording takaful are deferred and recognised as an asset. These costs are charged to the profit and loss acocunt based on the pattern of recognition of contribution revenue.

4.3 Rebate income

Rebate income from retakaful is recognized on the date of the commencement of the underlying itakaful contract. These are deferred and recognized in the profit and loss account as revenue in accordance with the pattern of recoginition of the retakaful contributions.

4.4 Contribution

For all the takaful contracts, contributions / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognised as written from the date of attachment of the risk to the policy / cover note and over the period of contract from inception to the expiry of policy. Where contributions for a policy are payable in installments, full contribution for the duration of the policy is recognised as written at the inception of the policy and related assets set up for contributions receivable at a later date. Contributions are stated on gross basis and exclusive of taxes and duties levied on contributions.

4.5 Unearned Contribution

Contribution under a policy is recongnised on the time of commencement of the takaful contract. The unearned contribution reserve is the unexpired portion of the contribution. Unearned premiums have been calculated by applying 1/24th / 1/6th method as applicable and specified in the Insurance Rules, 2017.

4.6 Contribution deficiency reserve

The WTO is required as per Insurance Rules, 2017, 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 takaful contract in that class of business at the reported date. The movement in the contribution deficiency reserve is recorded as an expense in the of profit and loss account and the same is recognized as a liability.

The WTO determines adequacy of liability of contribution deficiency by carrying out analysis of expired periods. For this purpose actuarial valuation has been carried out to determine the amount of contribution deficiency reserve as required by under Insurance Rules, 2017 issued by the Securities and Exchange Commission of Pakistan on January 09, 2012. However, the management, including on the basis of this actuarial valuation as of December 31, 2025, consider that no contribution deficiency reserve is required to the maintained.

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

	2025	2024
	----------%----------	
Fire and property damage	-376%	-91%
Marine, aviation and transport	-336%	205%
Motor	-160%	-164%
Accident and Health	-74%	0%
Miscellaneous	-92%	-133%

4.7 Retakaful contracts held

Takaful contracts entered into by the WTO (for PTF) with retakaful operator for compensation of losses suffered on takaful contracts issued are retakaful contracts. These retakaful contracts include both facultative and treaty arrangement contracts and are classified in same categories of takaful contracts for the purpose of these financial statements. The WTO recognizes the entitled benefits under the contract as retakaful assets. Outward retakaful contribution are accounted for in the same period as the related contribution for the direct or accepted retakaful business being covered under the retakaful arrangement.

Retakaful liabilities represent balances due to retakaful entities. Amounts payable are estimated in a manner consistent with the related retakaful contract.

Retakaful assets represent balances due from retakaful companies. Amounts recoverable from retakaful operator are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the retakaful contract and are in accordance with the related retakaful contract. Retakaful assets are not offset against related retakaful liabilities. Income or expenses from retakaful contracts are not offset against expenses or income from related retakaful assets / liabilities.

The deferred portion of retakaful contribution ceded is recognized as a prepayment which is calculated in accordance with the pattern of recognition of revenue.

The WTO assesses its retakaful assets for impairment on financial statement date. If there is an objective evidence that the retakaful asset is impaired, the WTO reduces the carrying amount of the retakaful asset to its recoverable amount and recognises that impairment loss in the of profit and loss account.

4.8 Receivables and payables

4.8.1 Receivables related to Takaful contract

Receivables related to takaful contracts are recognized and due at cost which is the fair value of the consideration given less provision for impairment, if any. If there is an objective evidence that the takaful receivable is impaired, as a result of one or more events that occurred after the initial recognition, the WTO reduces the carrying amount of the takaful receivables accordingly and recognizes that impairment loss in the Statement of profit and loss account.

Provision for impairment on contribution receivables is estimated on a systematic basis after analyzing the receivables as per their aging.

4.8.2 Creditors, accruals and provisions

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

Provisions are recognised when the WTO 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 financial statement date and adjusted to reflect the current estimate.

4.9 Reinsurance recoveries against ourstading claims

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

4.10 Segment reporting

An operating segment is a component of the WTO that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the company's other components. All operating segments' results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available.
The WTO presents segment reporting of operating results using the classes of business as specified under the Insurance Rules, 2017 and General Takalful Accounting Regulation, 2019. The reported operating segments are also consistent with the internal reporting provided to the Board of Directors who assess the performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment.
Assets, liabilities and capital expenditures that are directly attributable to specify segments are assigned to them, while the carrying amount of certain assets (liabilities) used (incurred) jointly by two or more segments are 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.

The WTO has four primary business segments for reporting purposes, namely fire and property, marine and transport, motor and other classes. The nature and business activities of these segments are disclosed in note no. 4.1. Income and expenses directly attribute to a particular segment is so allocated. 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 other expenses.

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the financial statement at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, stamps in hand and current and saving accounts with banks.

4.11.1 Revenue recognition

4.11.1.1 Contribution

The revenue recognition policy for Contribution is given under note 4.4.

4.11.1.2 Retakaful rebate income

The revenue recognition policy for rebate from retakaful opertaors is given under note 4.3.

4.11.1.3 Dividend income

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

4.11.1.4 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.

4.11.1.5 Income on debt securities and bank balances

Income on debt securities and bank balances is recognized on a time propotionate basis taking account the effectiveness yield on the investment / bank balances.

4.12 Wakala fees

The Operator manages the general takaful operations for the participants and charges maximum up to 35% (2024: 35%) for fire and property, 35% (2024: 35%) for marine, aviation and transport, 35% (2024: 35%) for motor, 35% (2024: 35%) for engineering, 20% (2024: 35%) for health and 35% (2024: 35%) for miscellaneous of gross contribution written including administrative surcharge as wakala fee against the services.

The Takaful operator also manages the participants' investment as Mudarib and charges maximum up to 30% of the investment / deposit income earned by the Participants' Takaful Fund as Mudarib's share (2024: Nil).

4.13 Investments

These comprises of the following:
- In debt securities - at fair value through profit or loss

4.13.1 Measurement

a) Investment at fair value through profit or loss (held for trading).

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

Subsequent to initial recognition these are remeasured at fair value by reference to quoted market prices (as explained below) with the resulting gain or loss being included in net profit or loss for the period in which it arises.

b) Available-for-sale

Available-for-Sale investments are those non-derivative instruments / contracts that are designated as available-for-sale or are not classified in any other category.

At the time of acquisition, investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial measurement, the available-for-sale investments are remeasured at fair value. Surplus / (deficit) on revaluation from one reporting date to other is taken to other comprehensive income in the statement of comprehensive income. On derecognition or impairment, the cumulative gain or loss previously reported in other comprehensive income is transferred to profit and loss for period within statement of comprehensive income.

Fair value of the listed equity shares are determined with reference to the rates quoted on the stock exchange, while the fair value of the mutual funds units and of term finance certificates are determined with reference to the rates quoted on the MUFAP website. The fair value of the Government securities are determined with reference the rates quoted on the PKRV page.

These are reviewed for impairment at year end and any losses arising from impairment in values are charged to the Statement of Comprehensive Income.

c) Held-to-maturity

At the time of acquisition, investments with fixed maturity, where management has both the intent and the ability to hold till maturity, are classified as held-to-maturity.

Subsequently, these are measured at amortised cost less provision for impairment in value, if any. Amortised cost is calculated by taking into account any discount or premium on acquisition by using the effective yield method.

The difference between the redemption value and the purchase price of the held-to-maturity investments is amortised and taken to the profit and loss account over the term of the investment.

These are reviewed for impairment at year end and any losses arising from impairment in values are charged to the profit and loss account.

4.14 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statement, if the WTO has a legally enforceable right to set-off and the WTO intends either to settle the assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously.

4.15 Taxation

Current - OPF

Provision for current taxation is based on taxable income of the operator for the year determined in accordance with the tax rates enacted on substantially enacted as at the year end. The charge for current tax also include adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalized during the current year for such years / relating to the operators fund operated.

Deferred - OPF

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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

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.

4.16 Impairment

a) Impairment of financial assets

The management assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets is impaired. The carrying value of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In the case of equity securities classified as 'available-for-sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available-for-sale equity securities, the cumulative loss previously recognised in the statement of comprehensive income is removed there from and included in the profit and loss account.

b) Impairment of non financial assets

The carrying amount of non financial assets is reviewed at each financial statement date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exist, the recoverable amount of such asset is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less cost of sell. An impairment loss is recognised when the carrying amount of an asset exceeds its estimated recoverable amount.

All impairment losses are recognised in the profit and loss account. Provision for impairment are reviewed at each reported date and are adjusted to reflect the current best estimates. Change in the provisions are recognised as an income or expense.

4.17 Foreign currency transalations

Transactions in foreign currencies are accounted for in rupees at the rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into rupees at the rates of exchange which approximate those prevailing at the reported date. Exchange differences are taken to the profit and loss account.

4.18 Salvage recoveries

Salvage recoveries are recognized as an asset and measured at the amount expected to be received.

4.19 Claims

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.

4.20 Provision for outstanding claims (including IBNR)

A liability for outstanding claims is recognised in respect of all claims incurred up to the financialstatement date which is measured at the undiscounted value of expected future payments. Provision foroutstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs.
Retakaful recoveries against outstanding claims are recognised as an asset and measured at the amount expected to be received.

The provision for claims incurred but not reported (IBNR) is made at the financial statement date. In accordance with SECP circular no. 9 of 2016, the Operator has changed its method of estimation of IBNR. The Operator now takes actuarial advice for the determination of IBNR claims. IBNR claim have been 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.

4.21 Financial instruments

Financial assets and financial liabilities within the scope of IAS-39 are recognized at the time when the WTO becomes a party to the contractual provisions of the instrument and are derecognized when the WTO loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is included in the Statment of Comprehensive Income. Fair value of financial assets at discounted interest rates are determined initially and the difference carried forward as a prepayment (staff bonus), which then is expensed out over the period in which the services are rendered.

4.22 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 period.

4.23 Management expense

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

4.24 Qard - e Hasna

If there is deficit of admissible assets over liabilities in PTF, the Operator from the Operators Fund may provide Qard - e - Hasna to PTF so that PTF may become solvent as per Takaful Rules, 2012. Qard - e - Hasna from PTF can be recovered by the Operator over any period of time without charging any profit.

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

a) classification of investments (note 4.13);
b) reserve for unearned contribution (note 4.5);
c) takaful / re-takaful receivables(note 4.8);
d) provision for outstanding claims including IBNR and re-takaful recoveries there against (note 4.20);
f) provision for unearned wakala fee (note 4.12).
e) taxation (note 4.15);
f) impairment of assets (note 4.16);

6. INVESTMENTS

	December 31, 2025	
	Cost	Carrying value
	---------- Rupees ----------	
Fair value through profit or loss		
OPERATOR FUND		
Mutual Fund		
- JS Islamic money market fund	15,000,000	15,805,678
PARTICIPANT'S FUND		
Mutual Fund		
- NBP-FUND (Growth Fund)	20,000,000	21,209,633
- NIT Islamic money market fund	2,000,000	2,052,069
	22,000,000	23,261,702

7. TAKAFUL / RETAKAFUL RECEIVABLES

		Participant's Takaful Fund 2025	Participant's Takaful Fund 2024
Unsecured and considered good			
Due from takaful participants holders		2,772,902	6,651,715
Due from other takaful / retakaful operators	7.1	39,206,621	3,455,293
		41,979,523	10,107,008

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

	Operator's Fund 2025	Operator's Fund 2024
	---------- Rupees ----------	
8. RECEIVABLE FROM PTF		
Wakala fee	36,654,389	1,402,265
Mudarib fee	285,279	116,504
Inter - fund receivable	5,253,880	10,197,794
	42,193,548	11,716,563

	Note	Operator's Fund 2025	Operator's Fund 2024	Participant's Takaful Fund 2025	Participant's Takaful Fund 2024
		---------- Rupees ----------		---------- Rupees ----------	
9. OTHER RECEIVABLES					
Receivable from Alpha Insurance Company Limited	9.1	32,598,409	-	336,600	802,461
Others		-	-	40,858,807	85,465
		32,598,409	-	41,195,407	887,926

9.1 This represents the balance receivable from Alpha insurance Company transfer against the premium transferred by the Takaful policy holder's in conventional bank accounts.

	Participant's Takaful Fund 2025	Participant's Takaful Fund 2024
	---------- Rupees ----------	
10. PREPAYMENTS		
Prepaid retakaful contribution ceded	11,408,772	9,803,237

	Note	Operator's Fund 2025	Operator's Fund 2024	Participant's Takaful Fund 2025	Participant's Takaful Fund 2024
		---------- Rupees ----------		---------- Rupees ----------	
11. CASH AND BANK					
Bank balances					
Profit and loss sharing accounts	11.1	532,180	40,804,664	41,168,258	48,778,456

11.1 These carry markup at rates ranging from 10% to 12% per annum (2024: 10.75% per annum).

	Operator's Fund 2025	Operator's Fund 2024	Participant's Takaful Fund 2025	Participant's Takaful Fund 2024
	---------- Rupees ----------		---------- Rupees ----------	

12. TAKAFUL / RETAKAFUL PAYABLES

Due to takaful/retakaful payables	-	-	22,196,477	11,207,323

13. OTHER CREDITORS AND ACCRUALS

Commission payable	5,210,736	3,840,029	-	-
Payable to Alpha Insurance Company Limited	12,065,385	7,380,111	32,392,527	9,040,346
Payable to PTF	41,686,785	-	-	-
Federal takaful fee	-	-	1,425,195	692,510
Withholding tax payable	1,752,550	1,559,916	-	186,433
Accrued expenses	2,044,981	2,010,306	-	-
Auditor's fee	559,600	559,600	-	-
Others	609,675	7,210	44,000	41,194
	63,929,712	15,357,172	33,861,722	9,960,483

14. CONTINGENCIES AND COMMITMENTS

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

	2025	2024
	---------- Rupees ----------	

15. NET CONTRIBUTION

Written gross contribution	114,339,187	53,273,281
Less: Wakala fee	(32,722,977)	(14,892,500)
Contribution Net of Wakala Fee	81,616,210	38,380,781
Add: Unearned contribution reserve opening	26,817,572	15,584,797
Less: Unearned contribution reserve closing	(34,788,017)	(26,817,572)
Contribution earned	73,645,765	27,148,006
Less: Retakaful contribution ceded	29,761,757	22,199,774
Add: Prepaid retakaful contribution opening	9,803,237	10,630,110
Less: Prepaid retakaful contribution closing	(13,762,947)	(9,803,237)
Retakaful expense	25,802,047	23,026,647
Net contribution	47,843,718	4,121,359

16. RETAKAFUL REBATE EARNED

Retakaful rebate received or recoverable	833,162	599,957
Add: Unearned retakaful rebate opening	317,169	372,110
Less: Unearned retakaful rebate closing	(367,811)	(317,169)
	782,520	654,898

	2025	2024
	---------- Rupees ----------	

17. TAKAFUL BENEFITS / CLAIMS EXPENSE - NET

Benefits / claims paid or payable	101,598,604	13,307,288
Less: Outstanding claims including IBNR opening	(8,437,126)	(490,482)
Add: Outstanding claims including IBNR closing	22,842,065	8,437,126
Benefits / claims expense	116,003,543	21,253,932
Less: Retakaful and other recoveries received	46,613,013	1,005,857
Add: Retakaful recoveries against outstanding claims - opening	(626,028)	-
Less: Retakaful recoveries against outstanding claims - closing	3,915,971	626,028
Retakaful and other recoveries revenue	49,902,956	1,631,885
	66,100,587	19,622,047

Claims Development

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

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

Accident year Estimate of ultimate claims cost:	2021 and prior	2022	2023	2024	2025 (including IBNR)	Total
	---------- Rupees ----------					
- At end of accident	92,484,789	18,748,554	89,894	11,532,096	101,468,602	113,090,592
- One year later	92,537,158	26,348,315	194,000	22,778,066	-	22,972,066
- Two years later	92,541,658	26,387,893	194,002	-	-	194,002
Current estimate of cumulative claims	92,805,227	26,763,244	194,002	22,778,066	101,468,602	124,440,669
Cumulative payment to date	(1,704,863)	(9,818,494)	-	(18,664,131)	(82,934,473)	(101,598,604)
	91,100,364	16,944,750	194,002	4,113,935	18,534,129	22,842,065

	2025	2024
	---------- Rupees ----------	

18. WAKALA FEE - NET

Gross Wakala Fee	35,252,124	17,777,144
Add: Deferred wakala expense opening	8,290,890	5,406,246
Less: Deferred wakala expense closing	(10,820,036)	(8,290,890)
	32,722,978	14,892,500

19. OTHER DIRECT EXPENSES

Inspection charges	61,250	348,480
Bank charges	12,526	6,327
Others	1,494,837	245,986
	1,568,613	600,793

		2025	2024
		---------- Rupees ----------	
20.	**COMMISSION EXPENSES**		
	Commission paid or payable	10,988,255	8,567,171
	Add: Deferred commission expense opening	3,282,754	2,823,772
	Less: Deferred commission expense closing	(3,702,764)	(3,282,754)
	Commission expense	10,568,245	8,108,189
21.	**GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSE - OTF**		
	Employee benefit cost	4,094,880	2,370,000
	Bank charges	-	-
	Professional charges - IT Related	11,642,280	3,540,866
		15,737,160	5,910,866

22. MODARIB FEE

The operator manage the participants' investments as a Modarib and charge 30% (2024: 30%) Modarib's share of the investment income earned by PTF.

		2025	2024
23.	**INVESTMENT INCOME**		
	Operator's Fund		
	Profit on Sukuk certificates	-	1,567,662
	Profit on Mutual Fund	2,015,311	-
		2,015,311	1,567,662
	Participant's Takaful Fund		
	Profit on Mutual Fund	52,069	-
24.	**OTHER INCOME**		
	Operator's Fund		
	Profit on bank deposits	1,802,193	5,012,472
	Participant's Takaful Fund		
	Profit on bank deposits	3,323,437	2,821,206

			Operator's Fund	
			2025	2024
			---------- Rupees ----------	
25.	**OTHER EXPENSES**			
	Auditors' remuneration	25.1	712,800	500,000
	Shariah audit fee		162,000	150,000
	Bank charges		83	7,147
	Printing & stationery		31,460	54,152
			906,343	711,299

	Operator's Fund	
	2025	2024
	---------- Rupees ----------	
25.1 Auditor's remuneration		
Audit fee	350,000	350,000
Half year fee	100,000	-
Out of pocket expense	210,000	150,000
Sales tax	52,800	-
	712,800	500,000
26. TAXATION		
Current	2,754,278	1,955,261
26.1 Relationship between tax expense and accounting profit		
Profit before taxation	9,497,509	6,742,280
Tax at the applicable rate of 29%	2,754,278	1,955,261

27. RELATED PARTY TRANSACTIONS AND BALANCES - PTF

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

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

	2025	2024
	---------- Rupees ----------	
- Balances as at 31 December		
Alpha Insurance Company Limited		
Balance payable	32,392,527	9,040,346
Balance receivable	336,600	802,461

28. SEGMENT INFORMATION

28.1 Participants' Takaful Fund

	For the year ended December 31, 2025					
	Fire and property	Marine, aviation & transport	Motor	Accidental & Health	Other classes	Agreegate
	Rupees					
Contribution receivable(inclusive of federal excise duty and administrative surcharge)	22,617,117	12,790,321	26,920,980	28,862,156	36,622,743	127,813,317
Less:						
Federal Excise duty	(1,809,490)	(1,320,684)	(2,997,841)	-	(4,173,790)	(10,301,805)
Federal insurance fee	(115,518)	(88,843)	(197,941)	(52,126)	(278,257)	(732,685)
Others	(8,550)	(2,323,060)	(88,030)	(9,000)	(11,000)	(2,439,640)
Gross contributions (inclusive of administrative surcharge)	20,683,559	9,057,734	23,637,168	28,801,030	32,159,696	114,339,187
Wakala fee	(6,684,943)	(2,843,033)	(7,147,993)	(5,706,758)	(10,340,251)	(32,722,978)
Contribution earned	14,733,861	7,461,947	17,026,859	11,994,911	22,428,187	73,645,765
Takaful contribution ceded to retakaful operators	(10,996,223)	(4,677,801)	(7,089,371)	-	(3,038,652)	(25,802,047)
Net Contribution	3,737,638	2,784,147	9,937,488	11,994,911	19,389,535	47,843,718
Rebate from retakaful	424,906	9,800	347,814	-	-	782,520
Net Underwriting (Expense)/Income	4,162,544	2,793,947	10,285,302	-	19,389,535	48,626,238
Takaful claims	(62,923,978)	(9,354,044)	(16,921,840)	(8,919,650)	(17,884,031)	116,003,543)
Takaful claims recovered from retakaful operator	48,880,536	-	1,022,420	-	-	49,902,956
Net claims	(14,043,442)	(9,354,044)	(15,899,420)	(8,919,650)	(17,884,031)	(66,100,587)
Other direct expense	(283,756)	(124,263)	(324,277)	(395,120)	(441,197)	(1,568,613)
Contribution Deficiency	2,495,783	(4,760,573)	55,484	-	300,662	(1,908,644)
Net takaful claims & expenses	(11,831,415)	(14,238,880)	(16,168,213)	(9,314,770)	(18,024,566)	(69,577,844)
Underwriting results	(7,668,871)	(11,444,934)	(5,882,911)	(9,709,890)	1,364,969	(20,951,606)
Other income						3,375,506
Less: Modarib's share of investment income						(168,775)
						3,206,731
Deficit transferred						(17,744,875)

December 31, 2025	Fire and property	Marine, aviation & transport	Motor	Health	Other classes	Agreegate
	Rupees					
Corporate segment assets	12,323,449	5,396,678	14,083,234	17,159,909	19,161,032	68,124,302
Corporate unallocated assets	-	-	-	-	-	106,720,765
	12,323,449	5,396,678	14,083,234	17,159,909	19,161,032	174,845,067
Corporate segment liabilities	15,998,276	7,005,957	18,282,827	22,276,960	24,874,814	88,438,834
Corporate unallocated liabilities	-	-	-	-	-	76,055,270
	15,998,276	7,005,957	18,282,827		24,874,814	164,494,104

28.2 Participants' Takaful Fund

	For the year ended December 31, 2024					
	Fire and property	Marine, aviation & transport	Motor	Accidental & Health	Other classes	Agreegate
	Rupees					
Contribution receivable (inclusive of federal excise duty and administrative surcharge)	13,385,792	10,567,356	26,769,444	3,922,218	6,798,057	61,442,867
Less:						
Federal Excise duty	(1,595,125)	(1,041,857)	(2,842,561)	-	(850,217)	(6,329,760)
Federal insurance fee	(94,258)	(78,790)	(201,790)	(38,834)	(58,867)	(472,539)
Others	(1,570)	(1,334,617)	(28,700)	(50)	(2,350)	(1,367,287)
Gross contributions (inclusive of administrative surcharge)	11,694,839	8,112,092	23,696,393	3,883,334	5,886,623	53,273,281
Wakala fee	(3,865,558)	(1,921,080)	(7,214,172)	(584,859)	(1,306,831)	(14,892,500)
Contribution earned	5,311,608	5,794,463	12,874,259	1,518,599	1,649,077	27,148,006
Takaful contribution ceded to retakaful operators	(7,909,262)	(5,431,383)	(5,591,458)	-	(4,094,544)	(23,026,647)
Net Contribution	(2,597,654)	363,080	7,282,801	1,518,599	(2,445,467)	4,121,359
Rebate from retakaful	215,812	122,192	281,710	-	35,184	654,898
Net Underwriting (expense) / income	(2,381,842)	485,272	7,564,511	1,518,599	(2,410,283)	4,776,257
Takaful claims	(2,978,453)	(996,922)	(12,931,179)	(1,102,926)	(3,244,452)	(21,253,932)
Takaful claims recovered from retakaful operator	626,028	-	1,005,857	-	-	1,631,885
Net claims	(2,352,425)	(996,922)	(11,925,322)	(1,102,926)	(3,244,452)	(19,622,047)
Other direct expense	(131,889)	(91,485)	(267,238)	(43,795)	(66,386)	(600,793)
Contribution Deficiency	-	(2,495,783)	(662,213)	(55,484)	(300,662)	(3,514,142)
Net takaful claims & expenses	(2,484,314)	(3,584,190)	(12,854,773)	(1,202,205)	(3,611,500)	(23,736,982)
Underwriting results	(4,866,156)	(3,098,918)	(5,290,262)	316,394	(6,021,783)	(18,960,725)
Other income						2,821,206
Less:Mudarib's share of investment						-
						2,821,206
Deficit transferred						(16,139,519)

December 31, 2024	Fire and property	Marine, aviation & transport	Motor	Accidental & Health	Other classes	Agreegate
	Rupees					
Corporate segment assets	8,791,344	3,158,602	11,970,254	1,062,361	3,844,602	28,827,163
Corporate unallocated assets						50,174,261
Total Assets						79,001,424
Corporate segment liabilities	13,048,274	6,860,368	22,329,367	3,243,004	5,020,349	50,501,362
Corporate unallocated liabilities						21,613,856
Total Liabilities	4,681,509	5,374,093	20,497,263	-	8,517,765	72,115,218

28.3 Operators' Fund

	For the year ended December 31, 2025					
	Fire and property	Marine, aviation & transport	Motor	Accidental & Health	Other classes	Agreegate
	Rupees					
Wakala fee	6,684,943	2,843,033	7,147,993	5,706,758	10,340,251	32,722,978
Commission expense	(4,837,905)	(2,000,949)	(2,817,884)	(515,220)	(396,287)	(10,568,245)
Management expenses	(3,214,928)	(1,367,274)	(3,437,618)	(2,744,498)	(4,972,842)	(15,737,160)
	(1,367,890)	(525,190)	892,491	2,447,040	4,971,122	6,417,573
Investment income						168,775
Mudarab share						2,015,311
Other income						1,802,193
Other Expenses						(906,343)
						3,079,936
Profit before taxation						9,497,509
Taxation						(2,754,278)
Profit after taxation						6,743,231

December 31, 2025	Fire and property	Marine, aviation and transport	Motor	Health	Other classes	Agreegate
	Rupees					
Corporate segment assets	756,434	321,703	808,830	645,747	1,170,050	3,702,764
Corporate unallocated assets						137,339,448
Total Assets	756,434	321,703	808,830	645,747	1,170,050	141,042,212
Corporate segment liabilities	2,210,414	940,065	2,363,524	1,886,972	3,419,062	10,820,036
Corporate unallocated liabilities						65,808,699
Total Liabilities	2,210,414	940,065	2,363,524	-	3,419,062	76,628,735

28.4 Operators' Fund

	For the year ended December 31, 2024					
	Fire and property	Marine, aviation & transport	Motor	Accidental & Health	Other classes	Agreegate
	Rupees					
Wakala fee	3,865,558	1,921,080	7,214,172	584,859	1,306,831	14,892,500
Commission expense	(2,739,731)	(1,766,590)	(3,175,723)	(194,067)	(232,078)	(8,108,189)
Management expenses	(1,297,611)	(900,077)	(2,629,144)	(430,879)	(653,155)	(5,910,866)
	(171,784)	(745,587)	1,409,305	(40,087)	421,598	873,445
Investment income						1,567,662
Mudarab Share						-
Other income						5,012,472
Ceded money expense						-
Other expense						(711,299)
						5,868,835
Profit before taxation						6,742,280
Taxation						(1,955,261)
Profit after taxation						4,787,019

December 31, 2024	Fire and property	Marine, aviation & transport	Motor	Accidental & Health	Other classes	Agreegate
	Rupees					
Corporate segment assets	1,406,692	345,447	1,346,308	47,852	136,454	3,282,753
Corporate unallocated assets						78,035,555
Total Assets	1,406,692	345,447	1,346,308	-	136,454	81,318,308
Corporate segment liabilities	2,152,017	1,069,496	4,016,244	-	1,053,133	8,290,890
Corporate unallocated liabilities						15,357,172
Total Liabilities	2,152,017	1,069,496	4,016,244	-	1,053,133	23,648,062

	PTF FVTPL	Total
	---------- Rupees ----------	
29. MOVEMENT IN INVESTMENTS		
As at January 01, 2025		
Addition	22,000,000	22,000,000
Disposal (sale and redemption)	-	-
As at December 31, 2025	22,000,000	22,000,000

30. MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

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

30.1 Takaful Risk

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

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

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

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

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

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

a) **Frequency and severity of claims**

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

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

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

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

	2025	2024
	---------- Rupees ----------	
Class		
Fire and property damage	345,000,000	454,000,000
Marine, aviation and transport	255,760,006	212,368,200
Motor	60,360,633	65,000,000
Health	3,000,000	360,000
Miscellaneous	102,478,721	5,000,000

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

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

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

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

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

c) **Process used to decide on assumptions**

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

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

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

The details of estimation of outstanding claims (including IBNR) are given under note 4.11.

d) Sensitivity analysis

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

	PTF			
	2025		2024	
	Revenue	Equity	Revenue	Equity
	Rupees			
Impact of change in claim liabilities by + 10%				
Fire and property damage	(266,999)	(266,999)	(305,828)	(305,828)
Marine, aviation and transport	(130,136)	(130,136)	(76,586)	(76,586)
Motor	(797,220)	(797,220)	(410,863)	(410,863)
Health	(85,456)	(85,456)	(50,436)	(50,436)
Others	(36,737)	(36,737)	-	-
	(1,316,547)	(1,316,547)	(843,713)	(843,713)

30.2 Financial risk management objectives and policies

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

- Market risk
- Credit risk
- Liquidity risk

30.2.1 Market risk

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

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

30.2.1.1 Financial Risk

Maturity profile of financial assets and liabilities:

	Interest / mark-up bearing			Non Interest / mark-up bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
	Rupees						
OPF							
Financial assets							
Cash and bank	532,180	-	532,180	-	-	-	532,180
Investments							
- Debts securities	15,805,678	-	15,805,678	-	-	-	15,805,678
Receivable from OPF/PTF	-	-	42,193,548	-	-	42,193,548	42,193,548
Other receivables	-	-	32,598,409	-	-	32,598,409	32,598,409
	16,337,858	-	16,337,858	74,791,957	-	74,791,957	91,129,815
Financial liabilities							
Other creditors and accruals	-	-	-	(63,929,712)	-	(63,929,712)	(63,929,712)
December 31,2025	-	-	-	(63,929,712)	-	(63,929,712)	(63,929,712)

	Interest / mark-up bearing			Non Interest / mark-up bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
PTF							
Financial assets							
Cash and bank	41,168,258	-	41,168,258	-	-	-	41,168,258
Investments							
- Debts securities	23,261,702	-	23,261,702	-	-	-	23,261,702
Takaful / retakaful receivables	-	-	-	41,979,523	-	41,979,523	41,979,523
	64,429,960	-	64,429,960	41,979,523	-	41,979,523	106,409,483
Financial liabilities							
Underwriting Provision for outstanding claims including IBNR	-	-	-	(22,842,065)	-	(22,842,065)	(22,842,065)
Takaful / retakaful payables	-	-	-	(22,196,477)	-	(22,196,477)	(22,196,477)
Other creditors and accruals	-	-	-	(33,861,722)	-	(33,861,722)	(33,861,722)
December 31,2025	-	-	-	(78,900,264)	-	(101,987,195)	(101,987,195)

	Interest / mark-up bearing			Non Interest / mark-up bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
	Rupees						
OPF							
Financial assets							
Cash and bank	40,804,664	-	40,804,664	-	-	-	40,804,664
Receivable from OPF/PTF	-	-	11,716,563	-	-	11,716,563	11,716,563
	40,804,664	-	40,804,664	11,716,563	-	11,716,563	52,521,227
Financial liabilities							
Other creditors and accruals	-	-	-	(15,357,172)	-	(15,357,172)	(15,357,172)
December 31,2024	-	-	-	(15,357,172)	-	(15,357,172)	(15,357,172)

	Interest / mark-up bearing			Non Interest / mark-up bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
PTF							
Financial assets							
Cash and bank	48,778,456	-	48,778,456	-	-	-	48,778,456
Takaful / retakaful receivables	-	-	-	10,107,008	-	10,107,008	10,107,008
Other receivables	-	-	-	887,926	-	887,926	887,926
	48,778,456	-	48,778,456	10,994,934	-	10,994,934	59,773,390
Financial liabilities							
Underwriting Provision for outstanding claims including IBNR	-	-	-	(8,437,126)	-	(8,437,126)	(8,437,126)
Takaful / retakaful payables	-	-	-	(11,207,323)	-	(11,207,323)	(11,207,323)
Other creditors and accruals	-	-	-	(9,960,483)	-	(9,960,483)	(9,960,483)
December 31,2024	-	-	-	(29,604,932)	-	(29,604,932)	(29,604,932)

30.2.1.2 Profit rate risk

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

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

All financial assets of the operations are non profit bearing except for cash and bank deposits ranging profit from 10% to 12% (2024: 10.75%).

30.2.1.3 Foreign Currency risk

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

30.2.1.4 Other price risk

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

30.3 Credit risk

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

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

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

	2025	2024	2025	2024
	OPF		PTF	
	Rupees			
Financial assets:				
Bank balances	532,180	40,804,664	41,168,258	48,778,456
Takaful / retakaful receivables	-	-	41,979,523	10,107,008
Retakaful recoveries against outstanding claims	-	-	3,915,971	626,028
	32,598,409	-	41,195,407	887,926
Other receivables				
	33,130,589	40,804,664	128,259,159	60,399,418

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

	2025		
	Rating agency	Short term	Long term
Bank			
Bank Al Habib Limited	PACRA	A1+	AAA
Meezan Bank Limited	PACRA	A1+	AAA
UBL	VIS	A1+	AAA
JS Bank	PACRA	A1+	AA

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

	2025	2024
	Rupees	
The age analysis of contribution due but unpaid is as follows:		
Up to 1 year	36,383,966	10,107,008
1 - 2 years	4,942,046	-
2 - 3 years	653,511	-
	41,979,523	10,107,008

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

	December 31, 2025			
	Amount due from other takaful / retakaful	Re insurance recoveries against outstanding claims	Prepaid reinsurance premium caded	December 31, 2025
	Rupees			
A or above (including PRCL)	39,206,621	-	9,448,125	48,654,746
Other	-	3,915,971	1,960,647	5,876,618
	39,206,621	3,915,971	11,408,772	54,531,364

	December 31, 2024			
	Amount due from other takaful / retakaful	Re insurance recoveries against outstanding claims	Prepaid reinsurance premium caded	December 31, 2024
	---------- Rupees ----------			
A or above (including PRCL)	3,455,293	-	7,842,590	11,297,883
Other	-	626,028	1,960,647	2,586,675
	3,455,293	626,028	9,803,237	13,884,558

30.4 Liquidity risk

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

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

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

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

	2025			
	OPF		PTF	
	Upto one year	more than one year	Upto one year	more than one year
	---------- Rupees ----------			
Claims payable	-	-	22,842,065	-
Other creditors and accruals	63,929,712	-	33,861,722	-
Takaful payables	-	-	22,196,477	-
Total	63,929,712	-	78,900,264	-

	2024			
	OPF		PTF	
	Upto one year	more than one year	Upto one year	more than one year
	---------- Rupees ----------			
Claims payable	-	-	28,437,126	-
Other creditors and accruals	15,357.172	-	39,960,483	-
Takaful payables	-	-	11,207,323	-
Total	15,357.172	-	29,604,932	-

	Note	2025 Rupees
31. STATEMENT OF SOLVENCY		
Assets		
Investments	31.1	23,261,702
Loans and other receivables		41,195,407
Takaful / retakaful receivables		41,979,523
Retakaful recoveries against outstanding claims		3,915,971
Salvage recoveries accrued		-
Deferred wakala expense		10,820,036
Taxation - payments less provision		1,095,398
Prepayments		11,408,772
Cash and bank deposits		41,168,258
Total Assets (A)		174,845,067
In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000		
(h) Insurance / reinsurance receivables		10,242,373
Total of In-admissible assets (B)		10,242,373
Total Admissible Assets (C=A-B)		164,602,694
Total Liabilities		
Underwriting provisions		
Outstanding claims including IBNR		22,842,065
Unearned contribution reserve		34,788,017
Unearned retakaful rebate		367,811
Takaful / retakaful payables		22,196,477
Payable to OPF		42,193,548
Contribution received in advance		2,821,678
Contribution deficiency reserves		5,422,786
Other creditors and accruals		33,861,722
Total Liabilities (D)		164,494,104
Total Net Admissible Assets (E=C-D)		108,590

31.1 This included investment of Rs. 21.209 million allocated by OPF to PTF in order to maintained the solvency.

32. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

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

	2025 Fair Value Measurement		
	Level 1	Level 2	Level 3
	---------- Rupees ----------		
OPF			
Fair value through profit or loss			
Mutual fund units	-	15,805,678	-
	-	15,805,678	-

	2024 Fair Value Measurement		
	Level 1	Level 2	Level 3
	---------- Rupees ----------		
PTF			
Fair value through profit or loss			
Mutual fund units	-	23,261,702	-
	-	23,261,702	-

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

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

33. CORRESPONDING FIGURES

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

34. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 09, 2026 by the Board of Directors of the Operator.

Chief Executive Officer | Director | Director | Chairman

Pattern of Shareholding

As at December 31, 2025

Number of Shareholders	Shareholding From		To	Total Share Held
3	1	to	100	193
3	101	to	500	888
15	501	to	1,000	12,284
18	1,001	to	5,000	51,037
20	5,001	to	10,000	132,923
23	10,001	to	25,000	311,886
5	25,001	to	50,000	147,746
7	50,001	to	75,000	428,325
3	75,001	to	100,000	234,036
1	100,001	to	150,000	101,615
4	150,001	to	205,000	809,600
1	205,001	to	300,000	207,255
1	300,001	to	47,574,843	47,574,843
103	Total			50,000,000

Number of Shareholders	Category of Shareholders	Total Share Held	Percentage %
1	State Life Insurance Corportion of Pakistan	47,574,843	95.15%
102	Individuals	2,425,157	4.85%
103	Total	50,000,000	100.00%

Branch Network

HEAD OFFICE, KARACHI.
4th Floor, Building # 1-B, State Life Square,
Off: I.I. Chundrigar Road
Karachi.
021-32426041-5

MAIN BRANCH, KARACHI
406, 4th Floor, Business & Finance Centre,
I.I.Chundrigar Road, Karachi.
021-32429151

CENTRAL BRANCH, KARACHI
4th Floor, Building # 1-B,
State Life Square, Off: I.I. Chundrigar Road
Karachi.
021-32426041-5

KARACHI SOUTH BRANCH
4th Floor, Building # 1-B,
State Life Square,
Off: I.I. Chundrigar Road
Karachi.
021-32426041-5

CORPORATE BRANCH, KARACHI
4th Floor, Building # 1-B,
State Life Square,
Off: I.I. Chundrigar Road
Karachi.
021-32426041-5

KARACHI EASTERN BRANCH
4th Floor, Building # 1-B,
State Life Square,
Off: I.I. Chundrigar Road
Karachi.
021-32426041-5

ISLAMABAD BRANCH
State Life Building - 5,
China Chowk, Jinnah Avenue,
Blue Area,
Islamabad
051-2274032-34

ISLAMABAD BLUE AREA BRANCH
State Life Building - 5,
China Chowk, Jinnah Avenue,
Blue Area,
Islamabad
051-2274032-34

LAHORE BRANCH
4 Bank Square,
Shahrah-e-Quaid-e-Azam,
P.O.Box No.125,
Lahore
042-37322518

FAISALABAD CENTRAL BRANCH
6th Floor, State Life Building,
Liaquat Road,
Faisalabad.
041-2640383

FAISALABAD NEW UNIT BRANCH
6th Floor, State Life Building,
Liaquat Road,
Faisalabad.
041-2640383

MULTAN BRANCH
Room # 01 and 02, 1st floor,
Hajvairee Arcade, Kutchery Road,
Multan. 061-4510649

alpha
Insurance Company Limited.
A subsidiary of State Life Insurance Corporation of Pakistan

Proxy Form

Annual General Meeting

I/We.....of.....Being a member of Alpha Insurance Company Limited hereby appoint Mr..... of..... of failing him Mr..... of.....as my/our Proxy to vote for me/us and on my/our behalf at the 74th Annual General Meeting of the Company to be held on 30th day of April, 2026 at 11:00 a.m. at Company's Head Office, 4th Floor, Building No. 1-B, State Life Square, I.I. Chundrigar Road, Karachi and at any adjournment thereof.

Signed this..... day of 2026

1. **Witness:**

Signature.....

Name.....

Address.....

.....

CNIC.....

Revenue Stamp

2.

Signature.....

Name.....

Address.....

.....

CNIC.....

Signature.....

Holder of .....Ordinary Shares

Share Register Folio No.....

Notes:

1. A proxy must be member of the Company.
2. Proxies must be received at the registered office of the Company not less than 48 hours before the time appointed for the Meeting.

   This signature of the instrument of proxy must confirm to the specimen signature recorded with the Company.

alpha
Insurance Company Limited.
A subsidiary of State Life Insurance Corporation of Pakistan

State Life Building # 1-B, I.I. Chundrigar Road, Karachi - Pakistan
Web: www.alphainsurance.com.pk