



Making a difference



ANNUAL REPORT

Making a difference





Sustainability relating to its all three dimensions i.e. Economy, Environment and Society, has become an important focus in our Company as it makes rigorous efforts to meet the present needs without compromising the needs of future generations. Our company not only supports, but has practically started working on Sustainable Development Goals (SDGs) set by UN, as adopted by the Government of Pakistan.

8



Decent work and economic growth





Fair Pay and Living Wages

We prioritize equitable compensation, ensuring every employee receives a fair and sustainable income. By fostering a supportive work environment, we empower our team, enhance productivity, and contribute to overall financial well-being.

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Organizational Overview



COMPANY OVERVIEW

With a proud legacy and a commitment to excellence, we stand as one of the largest life insurer, offering comprehensive financial protection and peace of mind to our valued customers. Backed by a robust infrastructure and a team of seasoned professionals, we are dedicated to safeguarding your future and empowering you to live life to the fullest. Discover why people trust Adamjee Life Assurance to secure their tomorrows, today.



OUR PURPOSE

We are dedicated to serve as a dependable security net for our customers, providing them with the assurance to live life to the fullest, knowing their financial future is safeguarded against unexpected events.

Our philosophy stems from thorough strategic analysis, research, and understanding of our customers' needs. This approach has enabled us to articulate a distinct vision, mission, and value proposition in the market, reflecting our commitment as a company to assist the public in making informed and prudent decisions to secure their future.



Cement

Automobiles

Textile

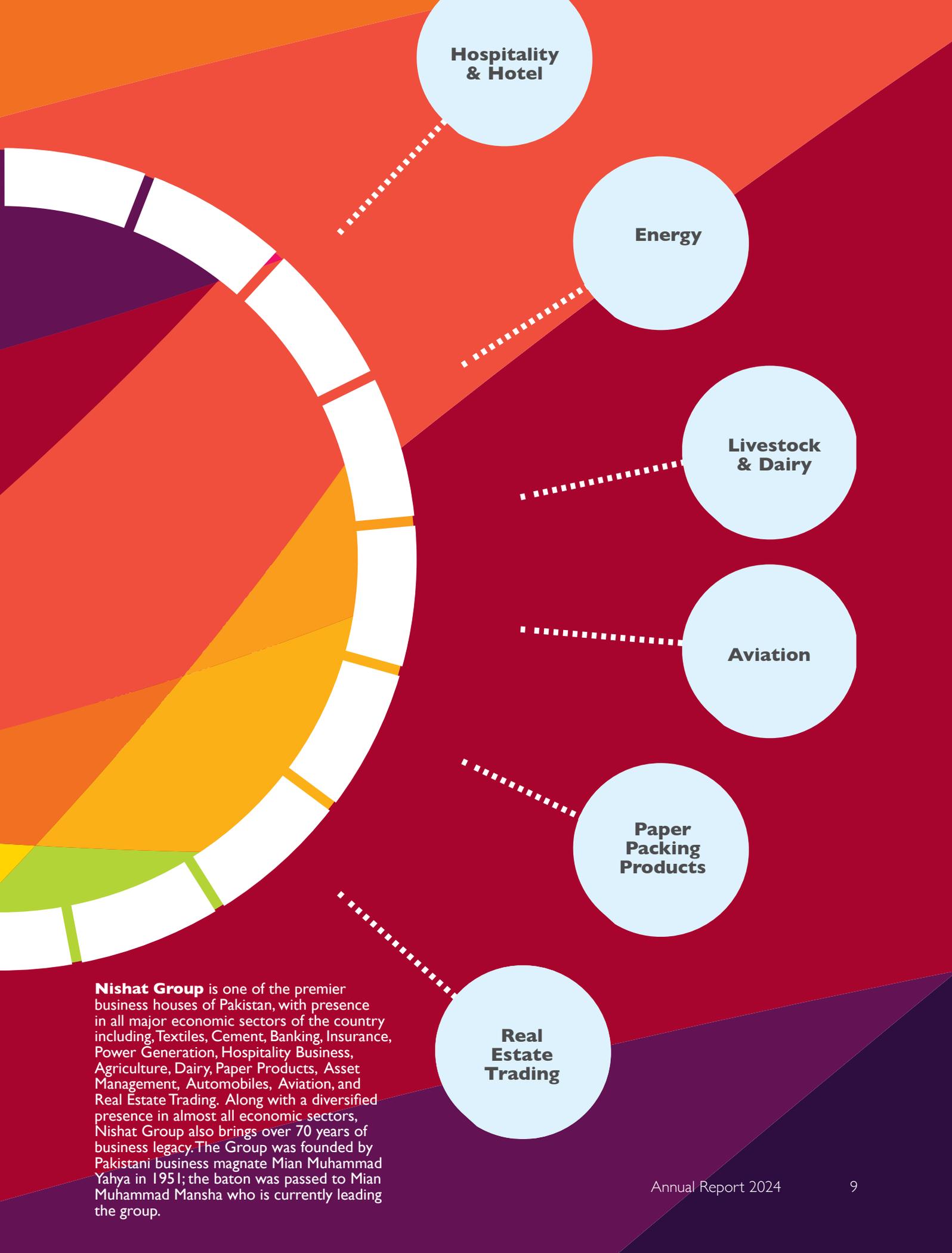
**Asset
Management**

Insurance

Banking

NISHAT

**Group
Overview**



**Hospitality
& Hotel**

Energy

**Livestock
& Dairy**

Aviation

**Paper
Packing
Products**

**Real
Estate
Trading**

Nishat Group is one of the premier business houses of Pakistan, with presence in all major economic sectors of the country including, Textiles, Cement, Banking, Insurance, Power Generation, Hospitality Business, Agriculture, Dairy, Paper Products, Asset Management, Automobiles, Aviation, and Real Estate Trading. Along with a diversified presence in almost all economic sectors, Nishat Group also brings over 70 years of business legacy. The Group was founded by Pakistani business magnate Mian Muhammad Yahya in 1951; the baton was passed to Mian Muhammad Mansha who is currently leading the group.

Vision

To be the most trusted insurance partner

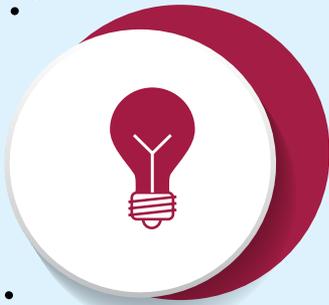


Mission

Adhere to exemplary sales practices, best in class product packaging and customer engagement



Core Values



VALUE CREATION

Create value in everything we do.

CUSTOMER FOCUS

Always keep the customer's interest in mind.



OPENNESS

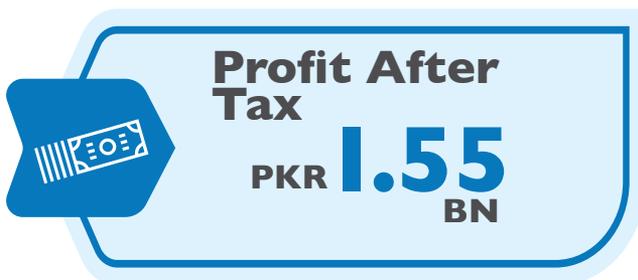
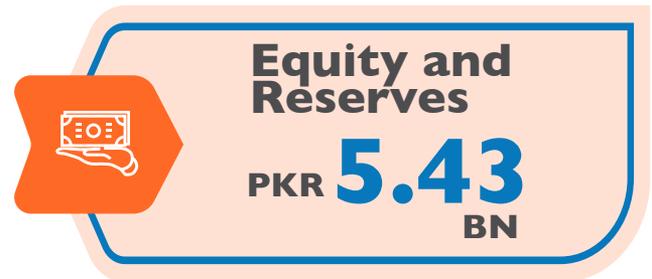
Foster a culture of trust and transparency.

RESPECT

Promote mutual respect and inclusiveness.



Key Financial Highlights



Strategic Objectives



Increase market share & attain profitability in direct distribution model



Capitalize strategic partnerships to capture digital space



Create product awareness and its value proposition among masses



Achieve excellence in quality of sales and after sale services



Bring product innovation to strengthen long term value for our customers



Prepare for new lines and territories of business

Rating of the Company



- Outlook: **Stable**
- Rating Agency: **PACRA**
- Rating Date: **June 26, 2024**



Individual Life Products

With our commitment to becoming the trusted partner for the future financial security of our customers, we take pride in offering tailored products designed to meet individual needs. Guided by a steadfast principle of prioritizing our customers, the Company has developed products that can be further customized to suit each client's unique requirements.

Our individual products are categorized into two distinct distribution channels. The first is Bancassurance—a mutually beneficial partnership with Pakistan's leading banks. This partnership ensures easy accessibility for the public, providing a wide range of avenues

through which information about how our products address customers' saving, protection, and investment needs can be accessed.

The second channel is our direct approach, which offers a more personalized experience known as the agency model. Through this channel, we establish personalized connections with our clients, allowing them the time to familiarize themselves with our offerings at their own pace. Similarly, through this channel, we provide clients with products that can be tailored to their specific saving, protection, and investment requirements.

Saving & Protection plans—Insurance with Unit Linked Investment—Optional Riders—Conventional & Takaful options—Loyalty Bonuses



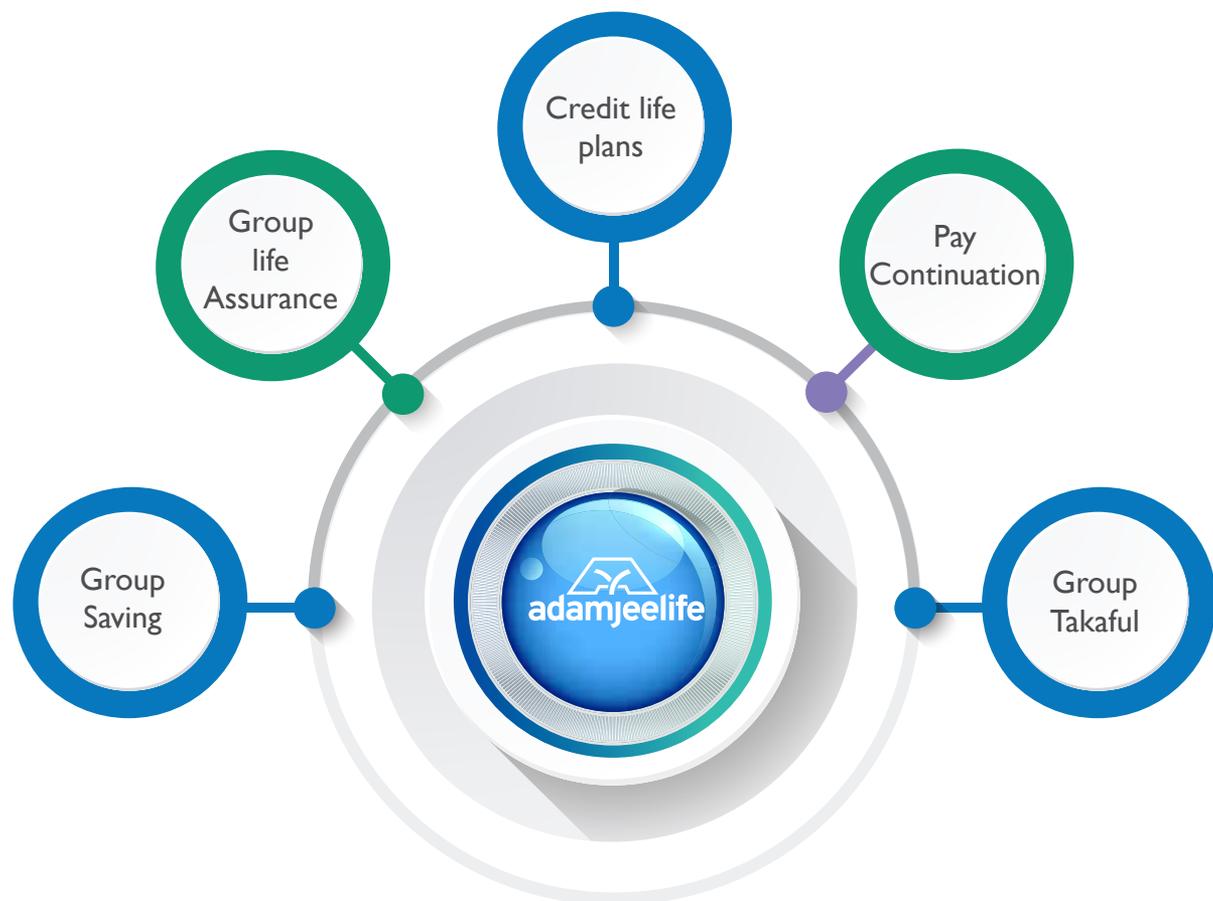
Group Life Products



At Adamjee Life, our aim is to provide tailored plan-based solutions that empower corporations to thrive in today's dynamic business landscape. Through our comprehensive range of offerings, we ensure benefits not only for employees but also for employers.

We provide an overall exclusive package for each of our clients as per their corporate requirement, including:

Saving & Protection plans—Optional Riders — Conventional & Takaful options—Individualized dealings



Digital Products

Easy and convenient

Life is full of uncertainties and seldom turns out the way one expects it to be. Adamjee Life intends for you and your loved ones to have peace of mind with the security to meet your future financial needs. We now present sorted product options to choose, with our digital products our customers now have the power to select the plan they want.

Pure Insurance

The future is always unpredictable no matter how well you are set in life. Given today's ever-changing environment, you can never truly predict the future but you can definitely prepare for it better, with a life insurance policy that provide investment along with protection life cover.

Family Sehat

Despite conscientious efforts to maintain health, unforeseen illnesses can strike when least expected, catching one off guard financially. A robust hospital cash plan becomes indispensable in such scenarios, not only ensuring access to top-tier medical services during times of need but also shielding one's financial reserves.



Optional Riders

- Level Term Rider
- Spouse Rider
- Accidental Death & Disability Rider
- Monthly Income Rider
- Waiver of Premium-Disability Rider
- Waiver of Premium-Death Rider
- Critical Illness Rider
- Hospital Cashback Rider



Call Center Services

- Interactive Voice Response (IVR)
- Call Center representatives
- SMS Services (8398)



Website & Online Services

- Need Based Plan Finder
- Online Claim Filing
- Online Appointment
- Coverage Calculator
- Knowledge Center

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Community Engagement

We actively collaborate with communities and organizations to drive meaningful change. Through strategic partnerships and outreach initiatives, we contribute to social development, align with global sustainability goals, and create lasting positive impact.

Company Information



Board Of Directors

S. M. Jawed
Chairman

Mian Umer Mansha
Director

Muhammad Ali Zeb
Director

Ahmad Alman Aslam
Director

Imran Maqbool
Director

Shahmeer Khalid Butt
Director

Naz Mansha
Director

Management

Manzar Mushtaq
Chief Executive Officer

Jalal Meghani
Chief Financial Officer & Deputy Managing Director

Ali Haider
Director Corporate Sales,
Bancassurance & Business Strategy

Amin Nizar Ali
Director Actuarial Services & Risk Management

Absar Azim Burney
Head of Direct Distribution

Adeel Anwer
Head of Window Takaful Operations

Dr. Bakht Jamal
Director Business Operations and Legal Affairs

Zehra Faiz
General Manager Human Resources

Athar Chaudhry
Director Information Solutions & Technologies

Statutory Positions

Asif Mirza
Head of Compliance and Legal Affairs
&
Company Secretary (Interim)

Samad Ali Naqvi
Head of Internal Audit



ADAM JEE
HOUSE

Company Information

Share Registrar

CDC Share Registrar Services Ltd. CDC House,
99-B, Block B, SMCHS Main Shahrah-e- Faisal, Karachi
74400 Phone No. (92-21) 111-111- 500
Fax No. (92-21) 34326031
Email: info@cdcpak.com

Statutory Auditors of the Company

KPMG Taseer Hadi & Co. Chartered Accountants
Address: 1st Floor, Sheikh Sultan Trust Building No. 2,
Beaumont Road, Karachi, Pakistan

Appointed Actuary

Alchemy Associates (Private) Ltd.
Address: 4th Floor, Central Hotel Building, Civil Lines,
Mereweather Road, Karachi, Pakistan.

Shariah Advisor

Mufti Muhammad Zubair Usmani

Legal Advisor

Asad Iftikhar
Address: Office no. 505, Commercial Trade Center,
Block 8 Clifton, Karachi.

Bawaney & Partners
Address: 3rd & 4th floor 68-C, Bukhari Commercial
Area, DHA, Karachi

Head Office

Adamjee Life Assurance Company Limited,
3rd & 4th Floor, Adamjee House,
I. I. Chundrigar Road, Karachi, Pakistan.

Registered Office

Adamjee Life Assurance Company
Limited, Office # 505, 5th Floor,
Islamabad Stock Exchange Building,
Blue Area, Islamabad, Pakistan.

Bankers

- Al Baraka Bank (Pakistan) Limited
- MCB Bank Limited
- Askari Bank Limited
- MCB Islamic Bank Limited
- Bank Alfalah Limited
- Mobilink Microfinance Bank Limited
- BankIslami Pakistan Limited
- National Bank of Pakistan
- Dubai Islamic Bank Limited
- NRSP Microfinance Bank Limited
- Faysal Bank Limited
- Samba Bank Limited
- Finc Microfinance Bank Limited
- Habib Bank Limited
- Silkbank Limited
- Habib Metropolitan Bank Limited
- Telenor Microfinance Bank Limited
- Khushhali Bank Limited
- U Microfinance Bank Limited
- United Bank Limited
- Standard Chartered Bank (Pakistan) Limited

Management & Board Committees

Underwriting, Reinsurance & Co-insurance Committee

Member	Category
Mr. Umer Mansha	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial & Risk
Dr. Bakht Jamal	Member / Director Business Operations and Legal Affairs
Mr. Shams ul Zuha	Head of Reinsurance
Mr. Farrukh Kidwai	Secretary / Head of Underwriting

Claim Settlement Committee

Member	Category
Mr. S. M. Jawed	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer & DMD
Mr. Ali Haider	Member / Director Bancassurance, Corporate Sales and Business Strategy
Mr. Muhammad Danish	Head of Customer Services
Mr. Kashif Fareed Ahmed Khan	Secretary / Head of Policyholders Services

Risk Management & Compliance Committee

Member	Category
Mr. Muhammad Ali Zeb	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer & DMD
Mr. Amin Nizar Ali	Member / Head of Actuarial & Risk
Mr. Asif Mirza	Member & Secretary / Head of Compliance and Legal Affairs

Management & Board Committees

Ethics, Human Resource, Remuneration and Nominations Committee

Member	Category
Mr. Shahmeer Khalid Butt	Chairman / Independent Director
Mr. S. M. Jawed	Member / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Umer Mansha	Member / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Ms. Zehra Faiz	Secretary / Head of Human Resource

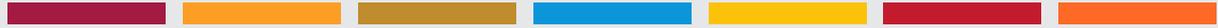
Investment Committee

Member	Category
Mr. S. M. Jawed	Chairman / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Imran Maqbool	Member / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer & DMD
Mr. Amin Nizar Ali	Member / Director of Actuarial Services & Risk Management
Mr. Muhammad Amir	Secretary / Senior Manager Finance

Audit Committee

Member	Category
Mr. Shahmeer Khalid Butt	Chairman / Independent Director
Mr. S. M. Jawed	Member / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Samad Ali Naqvi	Secretary / Head of Internal Audit

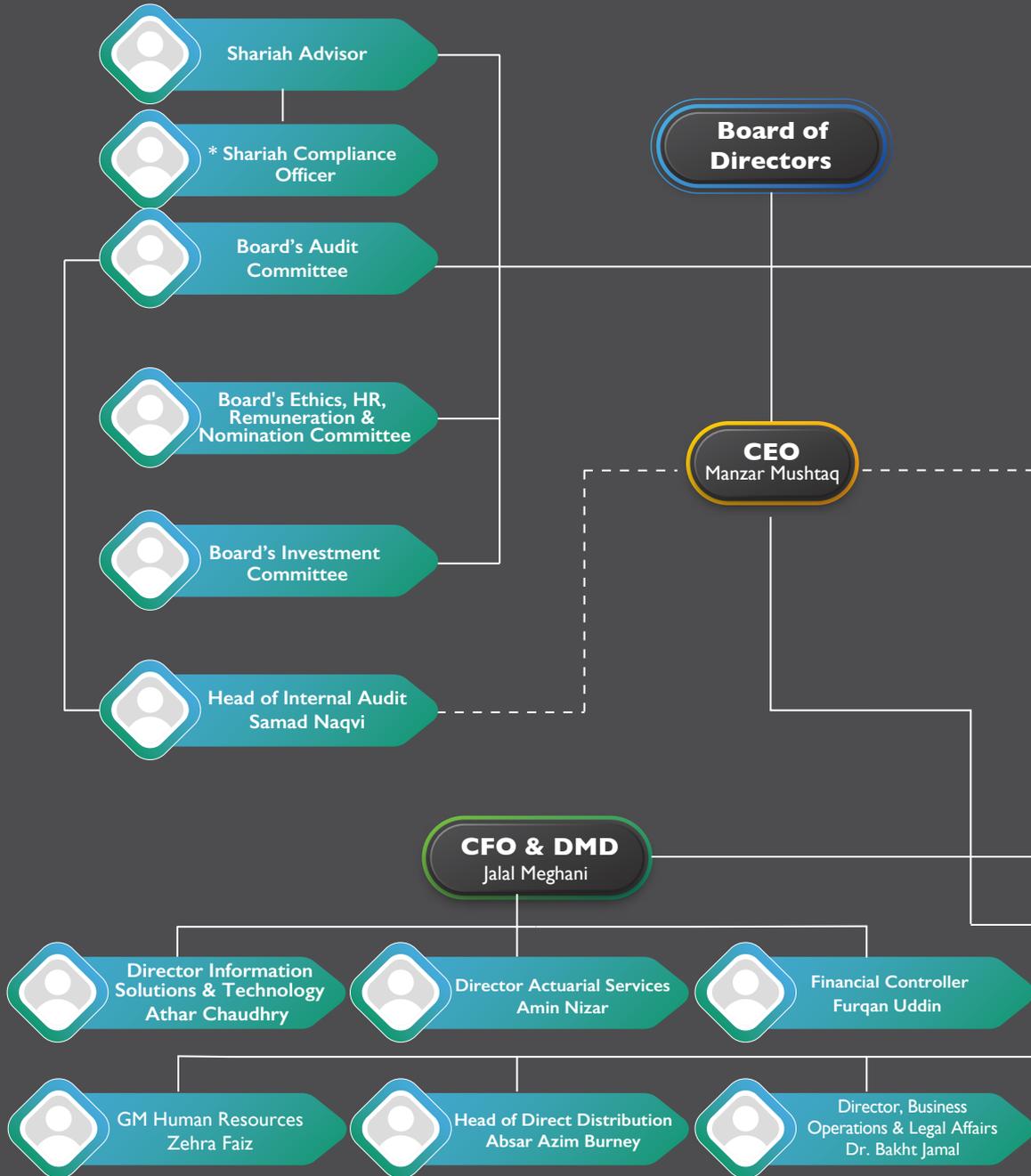
Our Geographical Presence



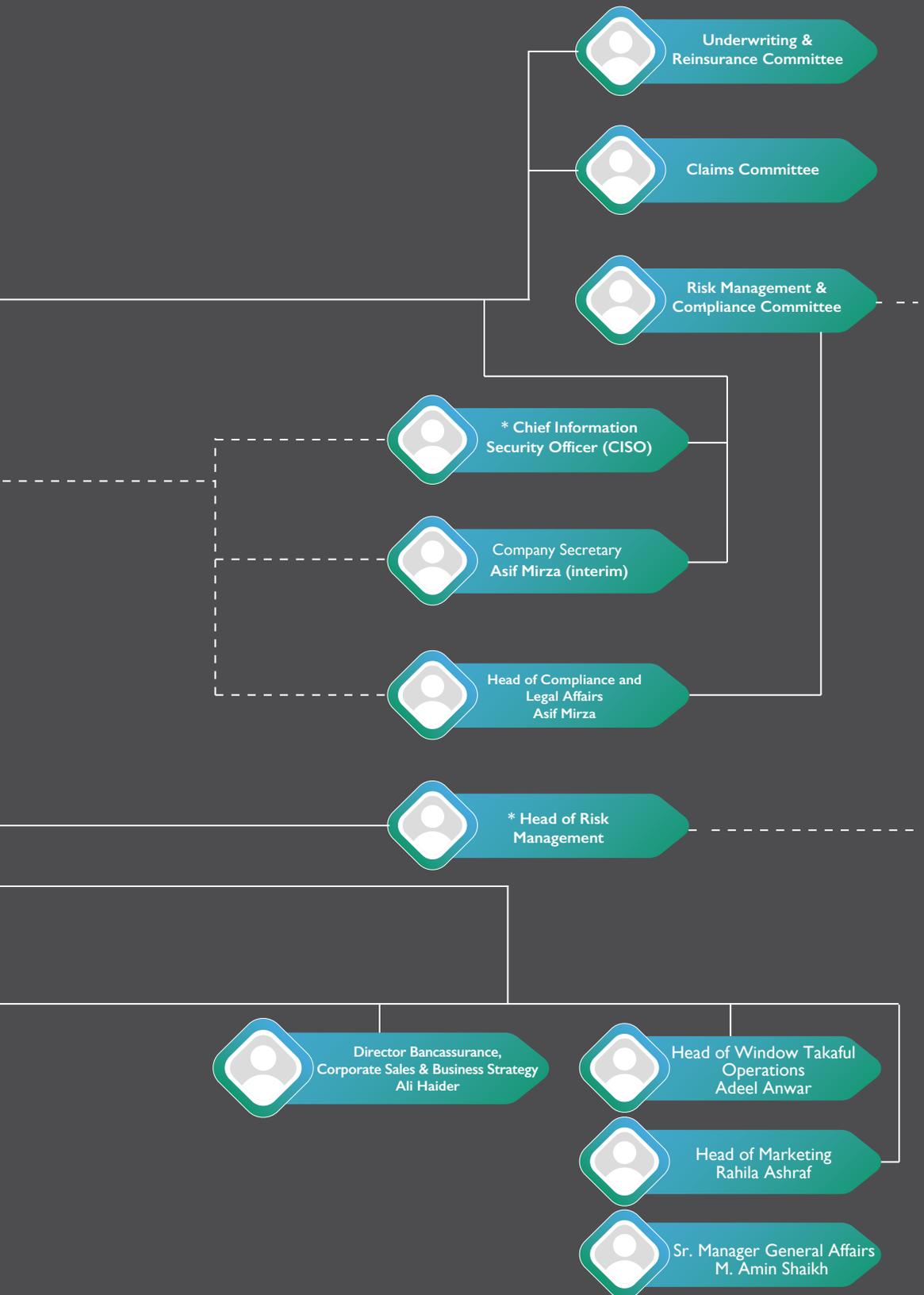
Major Cities

LAHORE	ABBOTTABAD	MUZAFARGARH	JHANG
KARACHI	SKARDU	BHAKKAR	JHELUM
ISLAMABAD	KOTLI	OKARA	JAMPUR
GUJRAT	BAHAWALPUR	KOT ADDU	FATEHPUR
RAWALPINDI	LAYYAH	KAROR LAL ESAN	MIRPURKHAS
FAISALABAD	BAHAWALNAGAR	KHANEWAL	HALA
MULTAN	SAHIWAL	PAK PATTAN	NAWABSHAH
GUJRANWALA	VEHARI	SARGODHA	SUKKUR
SIALKOT	BUREWALA	SANGLA HILLS	SHAHDADPUR
D. G. KHAN	DUNYA PUR	SHEIKHPURA	SAKRAND

Organizational Structure



* Head of Risk Management is managed by Director Actuarial Services. The role of CISO is managed by Director, IST, and the role of Shariah Compliance Officers is managed by Head of Compliance.





Work Place Health and Safety

We create a secure and healthy workplace by implementing rigorous safety protocols and proactive wellness initiatives. By promoting a culture of well-being, we support our employees' physical and mental health, ensuring a productive and balanced work environment.

Management Profile



Manzar Mushtaq
Chief Executive Officer

Mr. Manzar Mushtaq is an alumnus of Clarke University, USA. He is an experienced business leader, especially within the financial industry.

Mr. Mushtaq has held many leadership roles over a span of 2 decades, from 2011 to 2013, he served as the Managing Director/CEO of Adamjee Insurance Company Ltd. In 2013 he took on the role of Chief Executive Officer at Habib Metropolitan Financial Services Ltd. and served 8 years in the company. Previously, he was also associated with Security General Insurance Company Ltd.



Jalal Meghani
Chief Financial Officer and
Deputy Managing Director

Mr. Jalal Meghani is a Fellow member of the Institute of Chartered Accountants of Pakistan (FCA) and is also a Fellow member of the Institute of Chartered Secretaries and Managers (FICS). Mr. Meghani has an overall experience of over three decades in financial management, organizational development, and planning in diverse business sectors, including almost two decades in Adamjee Life. He also spent 2 years in a senior management position overseas in Sri Lanka and East Africa.



Ali Haider

Director Corporate Sales,
Bancassurance & Business Strategy

Mr. Ali Haider is an accomplished management professional with more than twenty years of experience in various leadership roles within the insurance industry in Pakistan and the UAE. Known for turning around organizations, Mr. Haider has extensive experience and expertise in areas of business & operations, developing multi-faceted strategies and building teams to reach targeted goals pertaining to Health & Life Insurance.



Dr. Bakht Jamal

Director Business Operations
and Legal Affairs

Dr. Bakht is an accomplished management professional who brings with him three decades of national and international working experience in the Life Insurance, Family Takaful, and Medical Profession. He was previously affiliated with the largest/oldest public sector life insurer and youngest family Takaful operator in the capacity of Head of Operations, Chief Operating Officer, and Head of Window Takaful Operations with State Life including its Dubai office, Dawood Family Takaful, and IGI Life respectively. He has completed his MBBS, Medicine, and Surgery from Sindh Medical College, Karachi. He is a Master Fellow of the Life Management Institute (FLMI/M) from Life Office Management Institute, USA.

Management Profile



Amin Nizar Ali
Director Actuarial Services &
Risk Management

Mr. Amin Nizar is an accomplished management professional who brings with him over two decades of extensive experience in the insurance industry. He is a fellow of the Society of Actuaries, USA, and has pursued his Bachelor of Commerce from the University of Karachi. He was previously employed with Allianz EFU Health Insurance Ltd. as the Head of the Actuarial and Strategic Planning Department, EFU General Insurance Ltd. as Executive Vice President, and State Life Insurance Corporation of Pakistan as Assistant General Manager Actuarial.



Zehra Faiz
General Manager Human
Resources

Zehra Faiz has over two decades of local and international experience in HR, business operations, sales and marketing. Her qualifications include a Master degree in English Literature from Punjab University, post graduate study in Information Systems Management and Human Resource Management from University of Canberra, Australia. Zehra started her career in 2002 in Australia with the telecommunication sector. During her career in Australia she has been associated with banking, legal and insurance sectors. In Pakistan her career remained in the manufacturing and insurance sectors. Currently she holds the position of Head of Human Resources in ALIFE. Prior to this she was employed as Director HR in Alsons Group. She was also employed with Adamjee Insurance Company Limited as Head of Human Resources.

She has demonstrated expertise in organizational development, talent management and employee relations. Zehra is an HR expert with great ability to translate business objectives to HR initiatives and providing support to organizations in achieving corporate goals.



Absar Azim Burney
Head of Direct Distribution

Mr. Absar Azim Burney holds an undergraduate degree in International Relations from Karachi University. He has over three decades of experience in operational and sales management. He started his career with Shell Pakistan the then Pakistan Burmah Shell Ltd. After that he moved to the insurance industry, worked with leading players in the insurance market in Pakistan and United Arab Emirates where he served as Country Head for Adamjee Insurance Company Limited. Before joining Adamjee Life he was working as Chief Executive Officer of Linchpin Cluster (Private) Limited, Pakistan, a management consultancy firm.



Athar Chaudhry
Director Information Solutions & Technologies

Athar is a seasoned IT leader with over two decades of experience, boasting a Master's in Computer Science, specializing in Network Management & Design; with BS in Computer Science specializing in Software Engineering. He's a certified Microsoft expert (MCTS, MCSE) and holds credentials in ITILv3 and ISO 9000, demonstrating his commitment to quality and best practices.

Throughout his career, Athar has consistently been recognized for his achievements. He received the "Making a Difference" award in 2018 for driving business automation at IGI General Insurance Ltd., and most recently, was named a "Legend" by the Global CIO Forum for his role as a digital transformation catalyst, even landing him in the esteemed "Book of Titans" as one of Pakistan's top CIOs!

Prior to joining us, Athar led IT Governance and Program Management at Packages Limited, overseeing IT policies, cybersecurity frameworks, and SAP digital transformation project. He also held leading IT positions at IGI Group of Companies, Premier Insurance Ltd., and Alfalah Insurance Ltd., consistently demonstrating his leadership and expertise across various industry landscapes.

Management Profile



Adeel Anwer
Head of Window Takaful
Operations

Mr. Adeel Anwer is a seasoned professional with over 15 years of experience, specializing in Sales, Sales Operations, Strategic Business Planning, & Budgeting, Bank Limits and Compliance, Distribution and Market Coverage Strategy, Promotion Planning, and Profitable Underwriting.

He began his career in 2005 as an Assistant Program Manager with Informa PLC, UK. In 2009, he joined Pak Qatar Family Takaful Ltd. as Regional Manager South. From 2013 to 2015, he served as Head of Window Takaful—South Region at United Insurance Company of Pakistan Ltd., followed by a role as Head of ADC—Takaful at KASB Modaraba until 2016. Most recently, he was associated with Pak Qatar General Takaful Ltd. as Senior Vice President, overseeing Sales Operations and Recoveries.

Adeel holds an MBA from SMI and has been actively involved with professional bodies such as KCCI—Banking & Insurance, and FPCCI—Standing Committee.



**Dr. Mufti Muhammad
Zubair Usmani**
Shariah Advisor

Dr. Muhammad Zubair Usmani is a qualified and one of the most experienced Shariah Scholars in the Islamic Banking Industry. He did his Shariah graduation (Fazil Dars-e-Nizami) & Takhassus Fil Fiqh (Mufti i.e. Specialization in Islamic Fiqh & Fatawa) from Jamia Dar ul Uloom, Karachi. He has done Masters in International Relations and Doctorate (PhD) in Islamic Finance from University of Karachi. Dr. Zubair Usmani is author of several books including related to Accounting & Auditing for Islamic Financial system, comparative study between Islam and Christianity and Ijarah (Islamic Leasing). His research papers have been published in various international journals. He has delivered research based lectures / presentations at different national and international seminars, forums, and conferences and has been associated with several financial institutions; he has also served as a member of Shariah Board of State Bank of Pakistan. Currently he is associated with HBL as a Chairman Shariah Board, MCB Arif Habib Islamic Fund as a Shariah Board Member, Adamjee Life Assurance Company Ltd. Window Takaful operations as a Shariah Advisor, Askari Life Ltd. as a Shariah Advisor, and Pak Qatar Asset Management as a Shariah Advisor.

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Ethical Business Practices

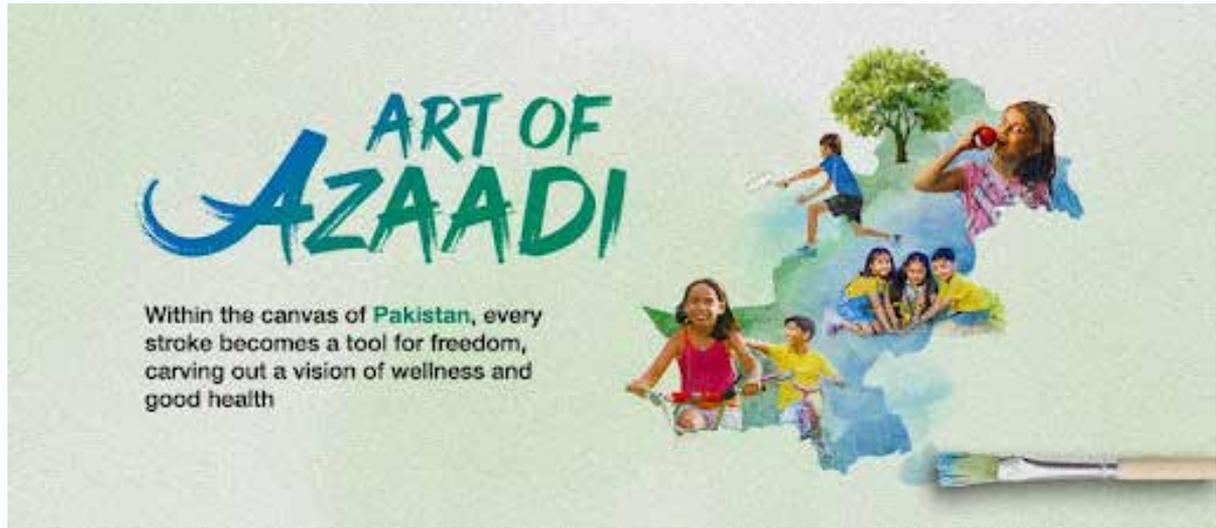
We promote inclusivity by upholding ethical business practices that ensure equal opportunities for all. Through fair policies, diversity initiatives, and transparent operations, we strive to create a workplace and community where everyone is valued and empowered.



Events Highlights

Art of Azaadi

14th August 2024—Independence Day



Blood Donation Drive Indus Hospital



Funds Management Training



Events Highlights

Employees Health and Wellness Week



adamjeelife **NUTRITION**

Adamjee Life is all in for YOU!
Our **Nutrition & Health session** is here to fuel your vitality! Good nutrition not only strengthens your body but also enhances your mood.

YOGA



adamjeelife **GARDIAC HEALTH**

The heart of every successful company is its employees, and at Adamjee Life, we are deeply committed to our employees' well-being.

A company thrives on a **healthy team**, which is why we've arranged a **cardiac health session** to help our employees **manage risks** and ensure a **healthier tomorrow**.

NUTRITION



adamjeelife **MENTAL WELLNESS**

Adamjee Life is all in for YOU!
Our **Mental well-being** workshop was designed to remind you that taking care of your **mind** is just as important as meeting deadlines.

MEDITATION



adamjeelife **WOMEN HEALTH**

At Adamjee Life we envision women as a symbol of strength, and this is reflected in our company's gender ratio.

As part of our **Wellness Week** this **Pinktober**, we encourage all our female employees to prioritize their health because encouraging them to take care of their health today, leads to a **healthier tomorrow** for all.

PINKTOBER



Adamjee Life Employees Iftar Dinner 2024



Events Highlights

Recruitment Drive University Campuses—2024



International Men's Day 2024



MoU Ceremony—Joining hands with Kiran Foundation and The Hunar Foundation for youth's financial empowerment

adamjeelife

KIRAN FOUNDATION

THE HUNAR FOUNDATION
TECHNICAL INSTITUTES

Adamjee Life join hands with
Kiran Foundation and The Hunar Foundation
to empower the underprivileged

MOU SIGNING CEREMONY

#BeANigehbaan
#This رمضان

Khuwabon Kay Nigehbaan
Education & Skill Development Program

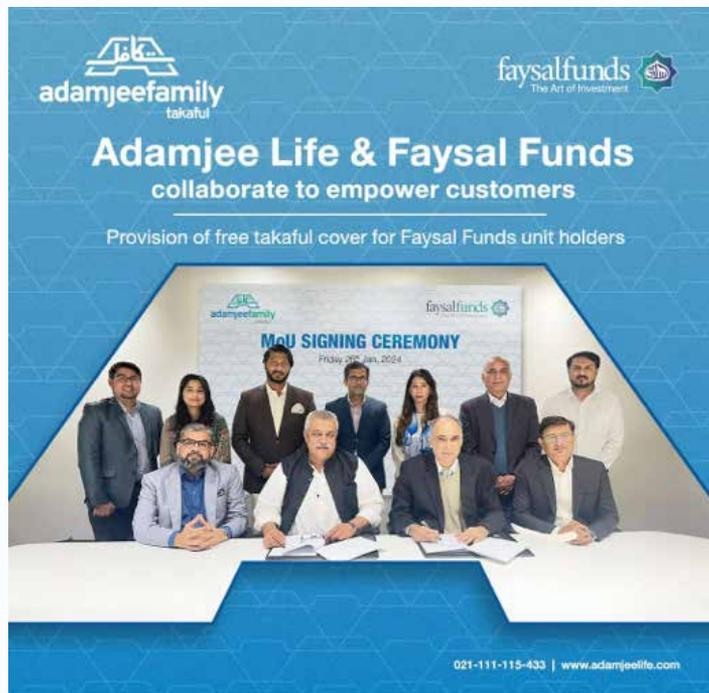
021-111-11-5433 | www.adamjeelife.com

Events Highlights

MoU Ceremony—Powering a Digital Evolution with PayFast



MoU Ceremony—Joining hands with Faysal Funds



Celebrating International Women's Day Inspiring Inclusion 2024



Awards & Accolades



Lex Falcon Global Award 2024—Singapore



Best Digital Campaign of the year (Small budget) Apki khushiyon ka trusted partner



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Internal and External Environment

Competitive landscape and market positioning

THREATS	DESCRIPTION	ALIFE'S POSITION
Threat of New Entrants	New entrants in an industry bring innovation but put a limit to profitability within the industry	<p>The risk of new entrant is medium to low. The cost involved in starting a new business is very high. Further, a long time is required to make the business operative and self-sustaining.</p> <p>The only chance is for financial institutions to branch out and invest in insurance business. This phenomenon is also seconded by the fact that bancassurance business is the key component of the life insurance business and hence the new entrant has to have collaboration with some bank in order to have success. However, both the banking and insurance industries are comparatively consolidated industries with fewer players.</p>
Bargaining Power of Suppliers	Threat that the suppliers make the most margins and leave little room for other partners in the supply chain to make money.	<p>As an insurance company, ALIFE considers its distribution partners especially institutional distribution channels (banks), as suppliers. These suppliers have historically leveraged their position to influence customer choices when it comes to buying insurance.</p> <p>ALIFE has reduced the risk by strengthening the partnership with the distribution channels, focusing on hybrid models (where ALIFE is handling all customer dealings), offering lucrative returns to policyholders and constant and consistent policy servicing to the customers.</p>
Bargaining Power of Buyers	Powerful and influential buyers can also squeeze the margins for the firm.	<p>This is the most powerful threat as Customer can exert enormous force and influence the pricing of the product.</p> <p>There are multiple alternatives for procuring products and services that are available in the market. Customers have the right to demand lower prices and higher product quality. Large corporate clients paying millions of rupees in premiums have bargaining power too. With the online emergence of social media, and instantaneous access to awareness of coverage, pricing, and services, today's customer demands more personalized attention and care for the premiums paid. To meet these expectations, ALIFE ensures that the product features for which the customer is paying should justify its cost while the price remains market competitive.</p>

THREATS	DESCRIPTION	ALIFE'S POSITION
The Threat of Substitutes	The substitutes perform the same or similar function to that of an industry's product but by different means.	Life insurance products are similar within the industry and therefore so many substitutes are available to the customers. ALIFE addressed this threat by focusing on customer service, generating better returns on policyholders' investment and enhancing overall customer experience.
Rivalry between Existing Companies	The intensity of rivalry among existing players can significantly limit the profitability proposition for the firm.	ALIFE has a very strong and coherent bonding with its distribution channels. ALIFE is also expanding the network of distribution channels and is more focused towards the hybrid models. The main goal of the Company is to establish a strong and sustainable direct sales channel. New and innovative products and sustainable & steady returns of policyholders' fund would also help to manage this risk.

Macro Environmental / PESTEL Analysis

PESTEL is one of the strategic tools used by the management for business analysis on a broader aspect. This is applied when the organization intends to expand the business.



POLITICAL

- Stability & Attitude of the Government
 - Tax Policy
- Support for Legislation & Implementation



ECONOMIC

- Growth of Economy
 - Unemployment
- Other factors affecting Economy



SOCIAL

- Demographic variables
- Cultural & ethical aspects
 - Impact of Media

Political stability is vital for the general well-being of the economy and growth of the industry. The law-and-order situation and political instability can hurt the sentiments of the market and hence the valuation of investments. Geopolitical tensions and global economic slowdown/ crisis can reduce the risk appetite of foreign investors and resultantly local equity market valuations. The local political noise has been manageable for the last couple of years, and it is expected that the trend will continue its momentum in a positive direction.

The economy of Pakistan plays an enormous role in the growth and survival of insurance industry. Pakistan's macroeconomic indicators have witnessed a broad-based improvement since the entry into IMF fold last year. The country's foreign exchange reserves have increased to USD 11.4bn from a low of USD 4.3bn. Entry into the new IMF program will bring increased comfort on the external front as it will unlock flows from bilateral and multilateral sources. The improved external outlook and foreign exchange buffer has led the exchange rate to remain stable for the past 12 months as it has been anchored to around 278 compared to a high of 307. The inflation remains on a downward trajectory with headline inflation of 4.1% in December-24 compared to a high of 38.0% in May-23. SBP has reduced interest rate by a cumulative 10.0% to 12.0% from the peak of 22.0%.

Shared beliefs and attitudes of the population play a great role in the success of the insurance industry. There are some traditional, cultural, and religious causes involved behind the purchase choice of the policyholder. Our products are designed to benefit the policyholders by not only offering competitive returns but also by eradicating the risk of the unforeseen. We believe in transparency and value the trust of our customers.



TECHNOLOGICAL

- Use of Internet
- Analytics and other tools



ENVIRONMENTAL

- Regulatory Bodies
- Supporting Institutions



LEGAL

- Management and operations
- Claim settlement

Technological developments change the mind set of society and the ways of doing business drastically. The customer wants access to quick and in real time information and preferably on his mobile phone. The Company is keen to provide the customers with real-time experience. ALIFE is very focused on achieving operational excellence through the use of innovative technologies in its processes and sales.

According to the UNDP, Pakistan is ranked 150th amongst the countries that are most vulnerable to climate risks. The country has experienced extreme weather, catastrophic floods, poor air quality index, pollution, high carbon emission rates (GHG emission is 0.93%).

A large customer base of the Company is associated with agriculture. Any hostile weather condition in the Country, also puts a certain pressure on the business volume of the Company. From the plantation drive to automation of the processes to encouraging paperless environment, the Company always strives to contribute positively towards the environment.

A balanced and vigilant legal environment is vital for industry to grow and to ensure 'ease of doing businesses'. There are some outstanding issues however, like sales tax on insurance and reinsurance, etc. on which support from the regulatory institutions is critical.

Critical Challenges and the Company's Response



CRITICAL CHALLENGES	ALIFE RESPONSE
<p>Sales tax on insurance and reinsurance</p>	<p>The Company, based on the opinions of the legal advisors, is confident about the favorable outcome of the case under adjudication and will simultaneously continue administrative efforts through IAP platform to reach an amicable resolution with the provincial revenue authorities.</p>
<p>IFRS 17</p>	<p>ALIFE has engaged with a foreign consultant for the completion of IFRS 17 Phase 4 – Parallel Runs & Implementation. Which includes:</p> <ul style="list-style-type: none"> · Procurement and implementation of the system including changes in existing systems; · finalization of accounting and actuarial policies; · training and governance needs; and · dry runs and the audit of IFRS 17 based financial results.

SWOT Analysis



STRENGTHS

- Fastest growing life insurance company with steady revenue growth and profitability
- Strong and reliable business partners.
- Part of a conglomerate family of NISHAT group.
- Strong financial position, experienced human capital and strong reinsurance backing.



WEAKNESSES

- High turnover of trained sales force
- Limited investment avenues in the market, especially in sharia compliant products
- Challenges in developing guaranteed products due to economic fragility.



OPPORTUNITIES

- Huge untapped market due to low insurance penetration
- High cellular penetration can be utilized to enhance reach and digital experience
- Expansion of distribution channels within and outside Pakistan
- More pull for Family Takaful products due to beliefs



THREATS

- Macroeconomic challenges like Currency devaluation, Inflation and Unemployment
- Legal and Regulatory challenges like Imposition of Sales Tax and withdrawal of income tax incentives
- Cybersecurity
- Economic, Climate and Political challenges

16



Peace, justice
and strong
institutions





Avoiding Conflict of Interest

We uphold integrity by maintaining transparency and strictly avoiding conflicts of interest. Our ethical governance ensures fairness, accountability, and trust, fostering a strong institutional framework that promotes peace and justice in all our operations.

Internal Value Chain Analysis

PRIMARY ACTIVITIES

Product Development	<ul style="list-style-type: none"> - Wide variety of products for conventional insurance and takaful that covers all classes and age groups of society. - Promote innovation in product designing. - Products available on digital channels. - Design more customer centric products.
Marketing, Sales and Distribution	<ul style="list-style-type: none"> - Extensive branch network with further expansion plan. - Experience and competent sales force. - Performance marketing for online sales generation using social media. - Marketing, public relations & corporate communication and advertising. - Update market messaging to reflect customer sentiment and product positioning. - Adjust marketing mediums (e.g. print, mail, digital etc.) and expected impact analysis to align with spend and return. - Update and align marketing function to new needs, which must consider messages, campaigns, mediums, ways of working, capacity and talent.
Underwriting	<ul style="list-style-type: none"> - Benchmarking of entity level risk to underwrite policies. - Carry a well-diversified portfolio to spread the risk. - Evaluation of risk profile according to the policy. - Build technical capability in underwriters to recognize the developments in risk management techniques and technology changes that may bring efficiency and accuracy.
Policy Administration	<ul style="list-style-type: none"> - Review policy administrative processes to handle the policy and identify opportunities to automate and where necessary, reengineer the process to increase efficiency and decrease costs. - Understand the consumer experience and the 'moments of truth' during the maintenance of their policy.
Claims Management	<ul style="list-style-type: none"> - Explore and develop automated claims processing capabilities, with focus on developing operating model and staff capabilities to support a more automated environment. - Rigorous evaluation to avoid payments against fake claims.
Asset Investment Management	<ul style="list-style-type: none"> - Engage professional services to handle investment and generate returns that outperform the market. - Invest in diversified portfolios ranging from lowest risk securities to real estate, to benefit from various opportunities while mitigating the corresponding risks. - Assess investment strategies given challenging yield environment and shifting views of economic recovery patterns.
Customer Experience	<ul style="list-style-type: none"> - Dedicated hotline and WhatsApp for customers. - Focus on digital means to make the process quick and effective. - Dedicated team to handle complaints on priority basis.

SECONDARY ACTIVITIES

Human Resources Management	<ul style="list-style-type: none"> - Committed to fostering an inclusive, diverse, and supportive workplace. - Prioritize employee welfare, equal opportunities, and career growth, ensuring a thriving and dynamic work environment. - Promotes diversity, equity, and inclusion (DEI) by maintaining a workforce that reflects a balanced representation of genders, backgrounds, and experiences at all organizational levels. Through competitive benefits, professional development programs, and flexible work arrangements. - Empower employees to achieve both personal and professional success while maintaining a healthy work-life balance. - Striving towards leadership advocacy, leadership development program, fostering open communication channels, and cultural inclusivity initiatives that reinforce our commitment to a workplace where every individual feels valued and heard. - Believing in investing in employees as a key to continued success, and remain dedicated to cultivating a progressive, inclusive, and forward-thinking organizational culture. - Effective grievance management.
Finance & Actuarial	<ul style="list-style-type: none"> - Reporting is in compliance with regulatory framework and issued on a timely and accurate basis. - Tax compliance. - Integration between actuarial and finance department for process improvement, pricing and valuation. - Technical trainings for finance and actuarial team.
Risk Management	<ul style="list-style-type: none"> - Risk identification, categorization & mitigation plan. - Strong internal controls. - Dedicated team for quality assurance of internal processes. - Compliance with Code of Corporate Governance, AML and other regulatory requirements of SECP. - Implementation of policies and standard operating procedures. - Training and awareness sessions.
Data and Technology	<ul style="list-style-type: none"> - Data integrity, data security & business continuity. - Customer support APP. - Focus on paperless environment. - Implementation of business intelligence dashboards. - In-house built software with competent support to end users.

VALUE CREATION

Strategy and Resource Allocation

Short, medium and long term strategic objectives

TERM	STRATEGY	KPI
Short Term	<ul style="list-style-type: none"> • Increase market share in group term life/ credit life through building strategic partnership with group companies. • Improve the quality of training of sales team. • Improve pre and post sales customer services. 	<ul style="list-style-type: none"> • Gross premium growth • Group business/ Total Premium (%) • No. of sales training held during the year • No of complaints / total number of policyholders (%)
Medium Term	<ul style="list-style-type: none"> • Geographical expansion within and outside Pakistan. • Expansion in direct sales force (Agency). • More reliance on technology to reduce cost and increase efficiency. • Use digital platform to distribute products by embedding digital mobile wallet & bring constant innovation in products and services. • Strong and self – sustained direct and corporate distribution channels. • Continuous Drive for creating more awareness and value proposition of insurance products. • Adding value to stakeholders. • Consistent and constant technological innovation. 	<ul style="list-style-type: none"> • Increase size of quality sales force • Ratio of cost to premium • No. of products launched during the year to be sold from digital platform. • Number of Insurance awareness or CSR programs per annum. • Earnings Per Share (EPS) • Dividend payout ratio • Market value per share (increase in net worth of the shareholders) • Dividend yield
Long Term	<ul style="list-style-type: none"> • Become a most trusted partner. • Create a strong market position. • Become a leading market player in the sector. 	<ul style="list-style-type: none"> • Strong persistency ratio • Loyalty bonus payouts • Market share

Strategy and Resource Allocation

Resource Allocation to Achieve Strategies

Resources are a significant investment for most businesses. Therefore, organizations strive to utilize them optimally for profitability and sustainability. Resource allocation is a process of planning, managing, and assigning resources in a form that helps to reach the Company's strategic goals. A well thought out placement of resources will generate better results and will add to the bottom line of the Company.

Companies that actively and routinely assess the use of their resources and where they create the most value usually find themselves in a better position to improve operations and deliver higher ROI.

TYPE OF RESOURCES	DESCRIPTION OF UTILIZATION
<p>Financial Resources</p>	<p>Financial resources are used to finance the activities and operations of the Company and Company has adequate protocols to utilize them efficiently.</p> <p>Cash and liquidity management: ALIFE has very strong controls over fund management. The fund position is prepared on daily basis and reviewed by the CFO.</p> <p>Company ensures that there are adequate funds to pay-off all the policyholders' payments (like surrenders, maturities, claims, refunds etc.) and other payments (including salaries, commission, vendor related payment, etc.).</p> <p>The admissible assets to total liabilities ratio of the Company 1.06 times</p> <p>Fund and Investment Management: ALIFE ensures that no idle funds are available at the day end. For better fund management and enhanced returns, the Company has entered into an outsourcing arrangement with MCB Funds which manages its funds while ensuring the returns are not less than the agreed benchmarks.</p> <p>Management Investment Committee is responsible for monitoring the performance of investments and a review report on fund's performance is also present to Board's Investment Committee on quarterly basis.</p>
<p>Human Capital</p>	<p>Human Capital Management is defined as the process of acquiring, training, managing, retaining employees for them to contribute effectively in the processes of the organization. In simpler words, upgrading the existing skills of an employee and extracting the best out of him/her refers to human capital management. The Company has employed 1,797 employees and it is very focused on their growth and constant training and development. ALIFE believes that the more skillful the employees are, the more refined the results would be. ALIFE has also gone into an extensive succession planning program.</p>
<p>Physical Capital</p>	<p>Physical or manufactured capital refers to fixed assets of the Company like:</p> <ul style="list-style-type: none"> - Land and building. - Furniture and fixtures. - Motor vehicle. - Computer and equipment. <p>All of the physical assets of the Company are efficiently utilized for the purpose of business and adequately covered against potential threats through insurance coverage.</p> <p>Physical assets are managed through Fixed Assets Register with each asset assigned an identification tag. Further, these assets are subject to both planned and surprise physical verification as well, which is conducted from time-to-time basis.</p>

TYPE OF RESOURCES	DESCRIPTION OF UTILIZATION
<p>Intellectual Capital</p>	<p>Intellectual Capital is defined as all knowledge within an organization, which has the potential to create value when applied in line with the mission, vision and goals of the organization. It refers to the intangible capital. ALIFE has managed this capital in following ways:</p> <ul style="list-style-type: none"> - Ensuring and analyzing all critical processes and create a standard operating procedure to handle it. A well-defined set of processes that are applied consistently helps improving the cost and efficiency of the operations. - Creating the climate in which knowledge workers can best perform. - Optimizing the value creation, extraction and release cycles for new and existing initiatives.
<p>Social and Relationship Capital</p>	<p>Social capital is important because it represents the productive benefits of sociability. The importance of social capital cannot be understated since it relates to every benefit of living in a society rather than as a hermit. Social capital has been described as both a glue and lubricant – a glue that holds societies together without which collaboration and cooperation would not be possible; and a lubricant that facilitates getting things done.</p> <p>Social capital involves the shared values, norms, trust, and belonging that makes social exchange possible. Our society, economy, institutions, and political system could not exist without social capital.</p> <p>ALIFE has for its vision to become a most trusted brand over the years to come. In order to achieve that, ALIFE has a very clear policy to maintain its reputation and attitude to dealing with customers and other stakeholders. ALIFE believes in value creation and bonding with its customers. Relationships with other stakeholders like reinsurers, distributors, banks, vendors etc. are also based on this long-term vision.</p> <p>ALIFE has been involved in various CSR activities ranging from education to environment (the details can be found in CSR section of this report)</p>
<p>Natural Capital</p>	<p>Natural capital is the world's stock of natural resources, which includes geology, soils, air, water and all living organisms. Some natural capital assets provide people with free goods and services, often called ecosystem services. All of these underpin our economy and society, and thus make human life possible.</p> <p>ALIFE commits to preserve natural resources. It has taken the following step to contribute towards its preservation:</p> <ul style="list-style-type: none"> - Moving towards more paperless processes and archiving. - Installing and utilizing more energy efficient equipment. - Tasks have been assigned to multiple management committee members to work on various aspects of Environment, Social and Governance (ESG) Framework.

Strategies to Achieve Strategic Objectives



Strategies in place or intended to be implemented to achieve those strategic objectives

ALIFE is very focused toward achieving the long and short-term objectives that will feed into its strategies. The expansion of direct and other distribution channels will eventually translate into enhanced market share. The product development team is working in tandem with the sales team to ensure that products are not only customer centric but also include some innovative element to make products more lucrative to customers. ALIFE employs well-versed, energetic and competent teams at both front and back ends to ensure the quality of outcome. A stringent system of employee and agents training is a consequence of ALIFE's belief that the training of frontline staff can play a significant role in creating awareness of insurance and insurance products. Technology is a game-changer in the current environment where use of technology is common and accessible to masses. ALIFE promotes the use of technology for reduction of cost of operations and for bringing in more efficiency to the processes.

Risk Management



Overview

Insurance business is exposed to various risks and therefore, ALIFE believes that a strong, effective and embedded Risk Management Framework is crucial to maintaining successful business operations and delivering sustainable, long-term profitability.

Risk Management Policy

ALIFE has implemented a policy for Risk Management which clearly defines the objective, roles and responsibilities for risk management, core insurance risks, financial risks, operational risks and strategic risks. A related objective of risk management policy is to implement the requirements stipulated in the Code of Corporate Governance for Insurers, 2016. The Code defines several categories of risk that the insurer must manage, both strategically and operationally.

This Policy forms the basis of embedding Risk Management within the culture of the Company. The key objectives of this Policy are:

- Establish clear objectives, identify and evaluate the key risks, define risk appetite and tolerance limits, and apply suitable risk responses including risk mitigation where needed;
- To ensure that the risk management system within the Company is suitable and proportionate to risks the Company is exposed to;
- Enable the Company to meet its obligations and objectives and to have increased knowledge and understanding of exposure of risk;
- Assign responsibilities for effective risk management and monitor the effectiveness of the system of risk and internal control management;
- Reduce the consequence and/or likelihood of potentially damaging risks by regular reviews of strategies for risk prevention and/or by transferring the impact of potentially damaging risks to third parties e.g. by re-insurance and other financial arrangements;
- Raise awareness of the need for risk management by all those connected with the organization's delivery of service; and
- Develop a strong risk culture articulated by effective Enterprise Risk Management (ERM) with involvement of senior leadership and embodied by management at all levels through governance structure and risk management processes.

Risk Management Framework

The Enterprise Risk Management (“ERM”) framework forms the overarching framework for management to deal with the various risks ALIFE may encounter, as well as their tracking and monitoring. This also ensures that the Company has processes in place by which we assess the risks that we are exposed to, both on a current and forward-looking basis.

ALIFE has adopted a framework for the risk management, which involves a continuous process to identify, analyze, evaluate, and treat loss exposures and monitor risk which are documented within the risk register, which captures the material risks that the Company faces. Identified risks are then managed through the application of a set of policies.

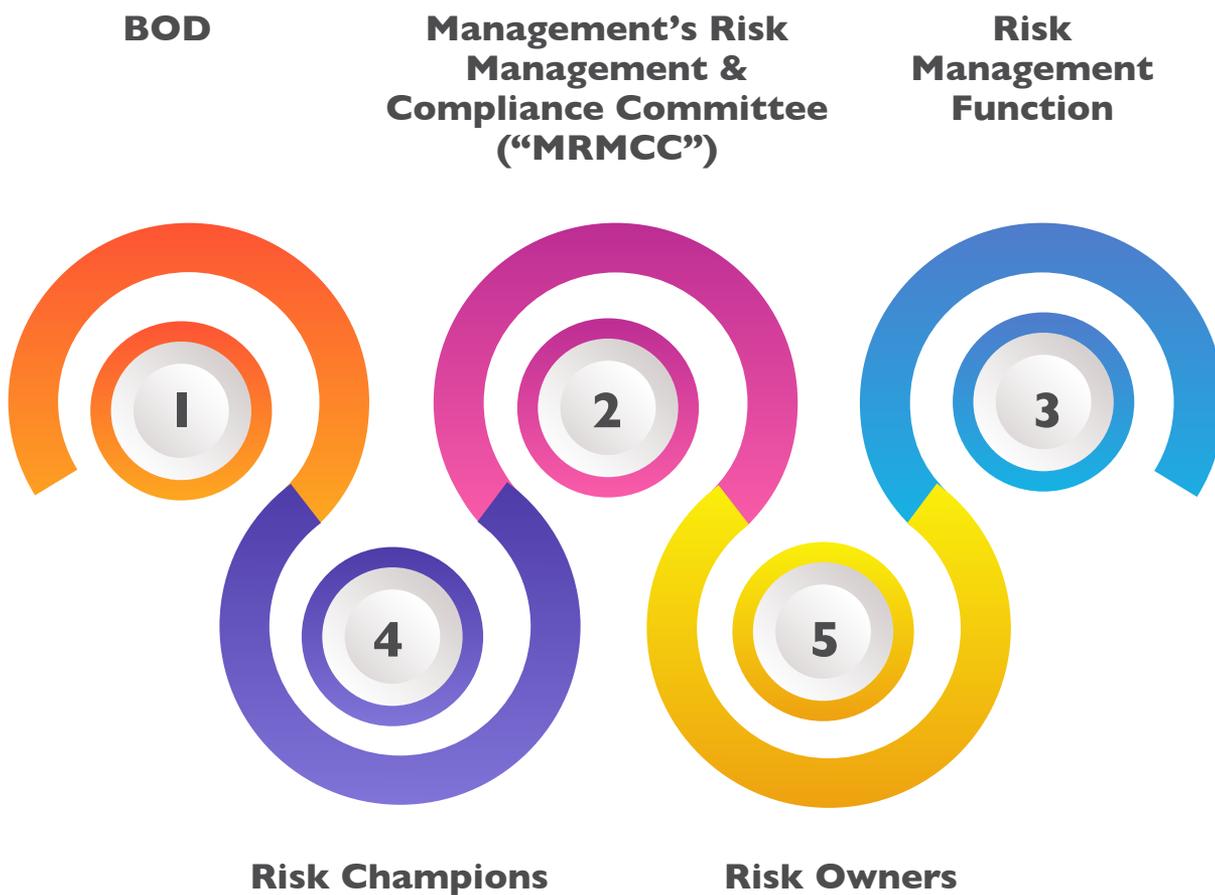
The methodology and process of handling risk is as follows:



Risk Management Governance Structure



The governance structure of the Company is defined in the following diagram:



Risk and Opportunity Report

RISK	MITIGATION
<p>Underwriting and Insurance Risk Insurance companies face risks through the contracts they underwrite. This risk refers to the loss and potential damage due to Underwriting Risk and Insurance activities. Underwriting and Insurance risks may affect the solvency and profitability of the insurer in an adverse manner. Underwriting and Insurance Risk is further classified in three broad categories namely:</p> <ul style="list-style-type: none"> - Biometric Risk (mortality, lapse, anti-selection, etc.) - Catastrophe Risk and - Pricing Risks 	<p>A detailed policy is in place that encapsulates the risk mitigating strategies including:</p> <ul style="list-style-type: none"> - Pricing reviews and repricing - Product design and structure - Stringent underwriting - Customer retention - Reinsurance cover
<p>Reserving (Provisioning) Risk Reserve risk is the risk that the reserves booked in the financial statements of the company for policyholder liabilities would not be sufficient to pay off policyholder obligations.</p>	<ul style="list-style-type: none"> - Annual Review of effectiveness of Product Development and Pricing - Review valuation Models - Appropriate assumptions - Liability Adequacy Testing
<p>Credit Risk Credit Risk is the risk that a Company will experience loss because another party is unable to fulfill its financial obligations towards the Company. Credit risk can also arise due to:</p> <ul style="list-style-type: none"> - fluctuations in the credit standing of issuers of Securities, Counterparties and any debtors. - delays in the completion of financial obligations by the obligor. <p>ALIFE faces credit risk from various counterparties such as its:</p> <ul style="list-style-type: none"> - Reinsurers, - Group Life clients - Investment portfolio. 	<p>The following mitigating controls are defined:</p> <p>Reinsurer</p> <ul style="list-style-type: none"> - Minimum credit rating - Highly capitalized and adequately experience reinsurer, - More reinsurers on panel to diversify the risk. <p>Group Life</p> <ul style="list-style-type: none"> - Model premium is discouraged especially where credit history is not satisfactory or premium amount is small. - Policy issuance is subject to receipt of premium (within specified time) - Aging of premium receivable balances. <p>Investment Portfolio</p> <ul style="list-style-type: none"> - Diversification of investment - Pre-assigned credit limits - Frequent monitoring
<p>Financial & Capital Adequacy Risk Financial and Capital Adequacy Risk refers to the risk that the financial health and the capital adequacy of the company might be adversely affected due to various factors leading to insolvency. There are a number of financial risk that can adversely affect the capital and lead to insolvency including:</p> <ul style="list-style-type: none"> - Asset Default Risk - Investments and Interest Rate Risk - Insurance Risk - Operational Risks - Other Risks 	<ul style="list-style-type: none"> - Compliance with minimum capital and solvency requirements as specified by SECP. - Frequent review of solvency position by internal management, auditors and appointed actuary.
<p>Liquidity Risk Liquidity Risk is the risk that an institution will be unable to meet its (expected and unexpected) financial obligations as they fall due, without incurring losses in disposing off its illiquid assets. Liquidity risk for ALife can arise due to the following factors:</p> <ul style="list-style-type: none"> - Mismatch risk: This refers to the emergence of illiquidity when policyholder liabilities are due - Liquidity risk arising from market forces and stress scenarios such as changes in interest rate, economic conditions, magnitude of the bid/ask spread etc. - Asset Composition: This refers to the risk specific to the liquidity of the various investments made by ALife. 	<ul style="list-style-type: none"> - The Insurance Rules 2017 and ALife's Investment Policy both have set limits for various asset classes to ensure enough liquidity at all times. - Effective fund management to ensure timely availability of funds. - Alternate source of liquidity

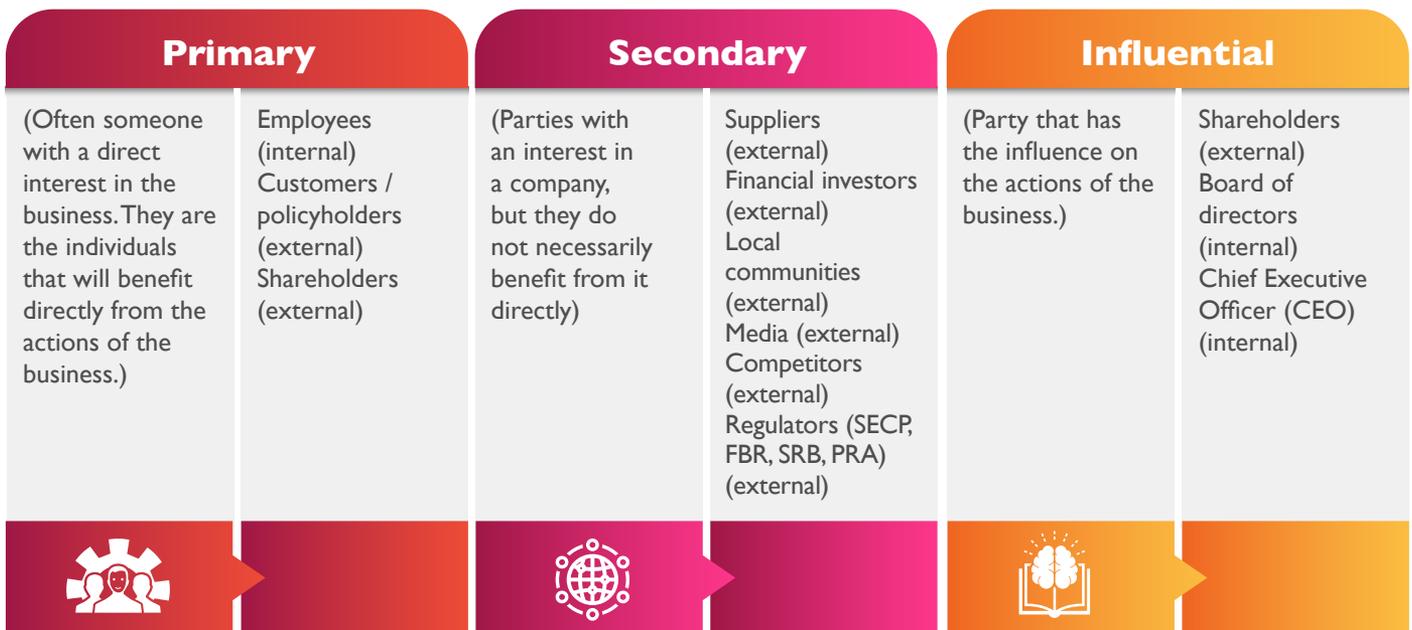
RISK	MITIGATION
<p>Investment, Market and Interest Rate Risk Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of the securities.</p>	<ul style="list-style-type: none"> - All investments are in compliance with investment policy. - Monitoring of equity and fixed based funds against their respective benchmarks as set out in the policy - A reporting structure is in place to review decisions taken by Investment manager - Monitoring and performance evaluation of funds at Management Investment Committee level.
<p>Compliance and Legal Risk</p> <ul style="list-style-type: none"> - Any omission or failure to meet regulatory compliance may expose the Company to penalties, fines and reputational risks. - Legal Risk can arise due to various reasons including issues in contracts with third parties and policyholders leading to litigation and disputes. 	<p>To avoid the consequences of Legal, Regulatory and Compliance Risks which mainly results in reputational damage and financial losses, the following practices are adhered to:</p> <ul style="list-style-type: none"> - Separate and independent legal, compliance function; - Dedicated Risk management team; - Tracking of regulatory compliance through checklists - Designated teams to implement new regulations - Review and monitoring of website. - The legal department analyze and provide the resolution of the case in collaboration with other relevant stakeholders.
<p>Operational Risk Operational risk can be described as the risk of loss due to inadequate or failed internal processes, people, systems or from external events.</p>	<ul style="list-style-type: none"> - Implementation of up-to-date SOPs - Integrated IT System - Claims handling policy & procedures, Policy Claim Checklist and MIS - Trainings of customer support staff - Clearly defined authority matrices - Implementation of sound internal control environment with thorough understanding of risks (including fraud risks) and proper designation of powers and accountability
<p>Strategic Risk Strategic Risk is the risk to earnings and capital due to incorrect and improper business decisions. It also refers to the unintentional risks that arise as a result of strategy development or execution.</p> <p>This risk encompasses the range from increased competition and innovation by competitors to losing market share due to new entrants</p>	<ul style="list-style-type: none"> - The Company is managing this risk through quality customer service, offering product range for various categories of customers and focusing on brand equity. - The company also keeps on exploring new avenues for business opportunities and growth - Open to adopt innovations introduced in life insurance industry.

Stakeholders' Relationship and Engagement

How ALIFE identifies its stakeholders

ALIFE has categorized different types of stakeholders as follows.

STAKEHOLDERS



KEY STAKEHOLDERS



Stakeholders	Why they are important to ALIFE	Medium use for engagement process	Frequency
Customers/ Policyholders	<p>We believe that loyalty and satisfaction of our customers is the foundation of our success. Individual life insurance products are by their very nature long-term, so we place a strong emphasis on the customer experience from the point of pre-acquisition through claim. Our vision is to become the most trusted partner for customers.</p>	<ul style="list-style-type: none"> - Personal visits of sales representatives - Emails - SMS - Calls - Letters - Social Media - Website 	<ul style="list-style-type: none"> - Annually - Quarterly - As and when needed
Employees	<p>We foster a culture of employee engagement as our staff is our most important internal stakeholder. We are committed to maintaining a skilled and engaged workforce driving a culture of alignment, accountability and action. Our employees have a key role and have a significant influence in operational decisions.</p> <p>We believe in constant employee development and succession planning.</p>	<ul style="list-style-type: none"> - Town hall meetings - Mentoring and coaching sessions - Trainings - Celebrations, get-togethers, picnics - Newsletters (VOAL) - Appraisals 	<ul style="list-style-type: none"> - Annually - Binnually - As and when needed
Financial Institutions	<p>We always strived to make long term strategic partnerships with banks (Corporate agents) to increase opportunities for bancassurance business. We also employee and utilize various services/ products offered by the banks to bring in efficiency in the transactions (collection, payments, investments etc.).</p>	<ul style="list-style-type: none"> - Frequent meetings at senior and middle management level. - Direct coordination with sales teams - Various trainings sessions 	<ul style="list-style-type: none"> - Daily for operational matters - As and when needed
Agents	<p>We engage actively and regularly with our agents and consultants. Sales agents are the front-line forces who interact with the customers and introduce and define them the product, the underlying policy terms and conditions and the allied benefits hence they do help us build more valued relationships with our policyholders.</p> <p>To give our customers the best service possible, agents and consultants work in synergy</p>	<ul style="list-style-type: none"> - Direct coordination with sales and back-office teams - Various trainings sessions 	<ul style="list-style-type: none"> - Daily for operational matters - As and when needed

Stakeholders' Relationship and Engagement

Stakeholders	Why they are important to ALIFE	Medium use for engagement process	Frequency
Regulator	<p>As a matter of our principles, we want to stay compliant with all laws and regulations.</p> <p>We believe in having an active dialogue with regulatory authorities to resolve matters that affects insurance operations including tax matters.</p>	<ul style="list-style-type: none"> - Regulatory returns - Written correspondences including emails. 	<ul style="list-style-type: none"> - Annually - Quarterly - As and when needed
Shareholders and investors	<p>Our retail and institutional shareholders are the owners of the Company. Our prime objective is to safeguard their assets and maximize the returns on their investment.</p> <p>We believe that their engagement in decision making process increases their trust over the management of the Company.</p>	<ul style="list-style-type: none"> - Annual general meeting - Extraordinary general meeting - Financial results - Website (Investors' relation section) 	<ul style="list-style-type: none"> - Annually - Quarterly - As and when needed
Community	<p>We are committed to making a difference in the communities where we work, live and serve our customers. ALIFE was involved in various CSR programs during the year.</p>	<ul style="list-style-type: none"> - Community support Programs / events (CSR activities) 	<ul style="list-style-type: none"> - Periodically
Environment	<p>We recognize our duty of care with respect to the environment and consequently will maintain as far as is reasonably practicable, to undertake its activities in such a way as to minimize any impact to the environment, whilst conducting its business. ALIFE was involved in plantation drive, promoting paper less environment, water conservation awareness etc.</p>	<ul style="list-style-type: none"> - Awareness drives 	<ul style="list-style-type: none"> - Periodically

Investors' Relation

Adamjee Life is dedicated to giving its clients and stockholders the greatest experience possible while generating long-term value for them. We make sure that reporting is reliable and open. The company works hard to give investors and shareholders reliable financial information including annual and quarterly reports, news announcements, which is then disseminated through a number of channels, and the company website. The website's information is always kept current. The website has a section specifically dedicated to investors that covers all potential areas of interest.

Investors' Grievance

According to Adamjee Life, a company's relationships with investors are essential to its financial health and rapid expansion. The organization's reputation is also reflected in its interactions with investors. Thus, it is essential to establish a system inside the company for serving investors and resolving their complaints in a way that complies with the law.

In accordance with this, the Company has made available on its website all pertinent information regarding the Company, its directors, auditors, share registrars, financial data for the current and previous six-year periods, and daily stock updates of the Company's shares quoted at the Karachi Stock Exchange.

The principal point of contact for investors seeking to address their complaints and find solutions on behalf of the Company is the Company Secretary. The management makes an effort to look into and satisfactorily address any investor concerns and inquiries on priority basis.

Using an interactive connection on our website, an investor who is unsatisfied may also contact the Securities & Exchange Commission of Pakistan (SECP) complaint cell.

Following contact details are available of Company's website:

Name: Asif Mirza

Designation: Company Secretary (Interim)

Contact: +92 321 3892215

Email ID: investors@adamjeelife.com, asif.mirza@adamjeelife.com



Accounting Integrity and Transparency

We ensure responsible consumption and production by maintaining strict accounting integrity and transparency. Through ethical financial practices and accountable resource management, we promote sustainability, efficiency, and long-term value for all stakeholders.

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Responsible
consumption
and production



Sustainability and Corporate Social Responsibility (CSR)

Sustainability

At Adamjee Life, we are dedicated to crafting a secure future for everyone, spearheading impactful social endeavors aimed at uplifting our nation. We firmly believe that a thriving society is integral to corporate advancement. Rooted in the principle of inclusivity, our commitment to creating shared value extends beyond mere obligation; it's woven into the fabric of our corporate mission. With unwavering zeal and purpose, we strive to make a positive imprint on Pakistan, with a focus on enhancing education, healthcare, and community welfare.

Corporate Social Responsibility (CSR)

As an integral part of one of Pakistan's largest conglomerates, Adamjee Life stands as a beacon of purpose-driven ethos. Our commitment extends beyond mere business objectives; we are dedicated to advancing sustainable social goals for the betterment of our nation. At Adamjee Life, we embrace the challenge of surpassing expectations while contributing to the greater good. Our steadfast advocacy for Pakistan's Sustainable Development Goals (SDGs) exemplifies our dedication to societal progress. Through initiatives like our CSR arm, Nighebaan, we actively engage in uplifting low-income communities through impactful investments. Nighebaan is more than just a CSR platform; it embodies our enduring responsibility to act ethically and compassionately. By nurturing the emotional and humanitarian well-being of our organization, we ultimately enhance the quality of life for our employees, their families, and the wider community.

Adamjee Life Nighebaan

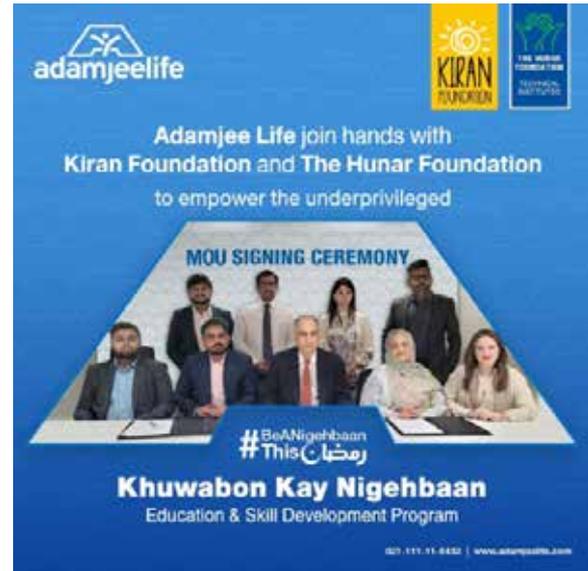


We launched our Nighebaan initiative as our CSR wing, which aims at creating awareness, advocacy and taking a small step towards betterment of our society. This wing at the moment is focused on working for Education, Healthcare and Gender Inclusion within the society

Khuwabon kay Nighebaan

This Ramzan, as part of our company's Nighebaan arm, Adamjee Life collaborated with esteemed humanitarian and social welfare organizations such as The Hunar Foundation and Kiran Foundation. This initiative aimed to empower underprivileged youth with quality education and Job-ready vocational skills, transforming them into contributing members of society and creating a ripple effect within their respective communities. This CSR initiative aims to highlight the importance of empowerment through financial independence using vocational training and skill development as the conductors of a nation-wide transformation.

Mr. Manzar Mushtaq, CEO of Adamjee Life, emphasized the company's commitment to corporate social responsibility, partnering with established entities like The Hunar Foundation and Kiran Foundation through an MoU.

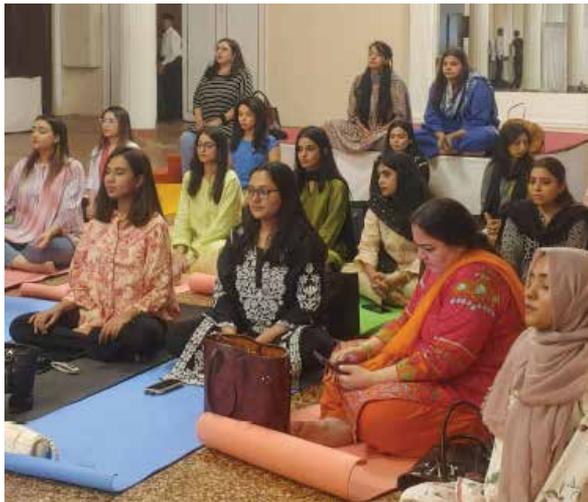


Health & Wellness Week

Happy, Healthy and Active

Adamjee Life proudly hosted Health & Wellness Week, a comprehensive initiative dedicated to fostering well-being and self-care. This week-long event featured insightful sessions and interactive workshops covering mental health, general health, nutrition, breast cancer awareness (Pinktober), yoga, and cardiac health.

Esteemed subject experts led each session, sharing valuable knowledge and insights. The Pinktober session empowered female employees to prioritize their health and well-being, while the mental health workshops highlighted the importance of self-care for a balanced life. Additionally, the yoga session promoted mindfulness, flexibility, and overall physical and mental wellness. Committed to promoting a healthier community, Adamjee Life continues to create impactful spaces for awareness, education, and proactive well-being.



Blood Donation Drive in Collaboration with Indus Hospital 2024

Adamjee Life aimed at saving more lives with each drive



Adamjee Life Assurance, in partnership with The Indus Hospital, organized a blood donation drive at its Head Office as part of the Nigehbaan CSR initiative. Committed to serving both customers and society, Adamjee Life recognized the pressing need for blood during the ongoing health crisis around the country. Through employee engagement we motivated a lot of people to donate, as we aim to do our part to uphold our dedication to the community through this service. Our collaboration with The Indus Hospital underscores our firm commitment to enhancing Pakistan's healthcare infrastructure sustainably. By initiating this noble cause, we strive to demonstrate our unwavering support for the nation and its citizens in times of need.

Directors' Profiles



Mr. S.M. Jawed
Chairman

Mr. S. M. Jawed possesses extensive expertise in the efficient management of cutting-edge industrial operations. His remarkable technical proficiency has earned numerous accolades and merits for outstanding performance in exporting industrial products from Pakistan. Under his guidance, the industrial entity he leads has received prestigious awards, contributing significantly to the country's foreign exchange reserves. A recipient of technical education in Industrial Technology from the UK, Mr. S. M. Jawed has been honored with a Gold Medallion Award from the International Export Association, UK, highlighting the company's excellence in production and export.

In addition to his leadership in the industrial sector, he holds Directorship in following entities, reflecting his diverse business interests.

- Din Textile Mills Limited;
- Din Leather (Pvt.) Limited;
- Din Farm Products (Pvt.) Limited;
- Adamjee Insurance Co. Limited;
- MCB Bank Limited;



Mrs. Naz Mansha
Director

Mrs. Naz Mansha has over 33 years of experience as a Director on the Board of different companies. She has been associated with D. G. Khan Cement Company Limited (DGKCC) since 1994. She also serves as Chief Executive of Nishat Linen (Private) Limited and Director/Chief Executive of Emporium Properties (Pvt) Limited and Director on the Board of GolfView Land (Pvt) Limited. She started by venturing into the textile business, initially dealing in providing beddings and housewares. Today her brand, Nishat Linen, has become a strong network of 78 fabric retail outlets in Pakistan and overseas. Her brilliant success and experience in managing the textile business have enhanced decision-making capabilities.



Mr. Muhammad Ali Zeb

Director

Mr. Muhammad Ali Zeb has over 26 years of experience in the Manufacturing, Financial, and Insurance Sectors. Mr. Ali Zeb is a fellow member of the Institute of Chartered Accountants of Pakistan and was awarded a gold medal in Cost Accounting. He started his professional career in 1995 at Nishat Mills, where he rose to the position of Financial Controller. He then joined Adamjee Insurance as Chief Financial Officer in 2005 and later became the Executive Director of Finance. He was appointed as Chief Executive Officer in September 2008. Mr. Ali Zeb left Adamjee Insurance in March 2011. He then served at City School (Pvt) Limited as Chief Financial Officer from 2012 till April 2013 but rejoined Adamjee Insurance as Chief Executive Officer in May 2013.



Mr. Imran Maqbool

Director

Mr. Imran Maqbool has served as President & Chief Executive Officer of MCB Bank Limited. He is a seasoned professional with over three decades of diverse banking experience. Before taking on the CEO position, he was Head of Commercial Branch Banking Group, where he successfully managed the largest group of the Bank in terms of market diversity, size of the workforce, number of branches on a countrywide basis, and diversified spectrum of products. In earlier roles, he worked as Head Wholesale Banking Group–North, Country Head MCB Sri Lanka, Group Head Special Assets Management, and Islamic Banking. Prior to joining MCB Bank in 2002, Mr. Maqbool was associated with the local banking operations of Bank of America and Citi Bank for more than seventeen years. He worked at various senior management level positions in respective banks. Mr. Maqbool holds an MBA from the Institute of Business Administration (IBA), Karachi, and an MS in Management from MIT Sloan School of Management, Massachusetts USA.

Directors' Profiles



Mr. Umer Mansha

Director

Mr. Umer Mansha completed his bachelor's degree in business administration from Babson College, Boston, USA. He has been Chief Executive of Nishat Mills Ltd. since September 08, 2007. He is also the Chairman of the BoD of Adamjee Insurance Company Limited. He has been serving on the Board of Directors of various listed companies for more than 21 years. He also serves on the Board of MCB Bank Limited, Nishat Dairy (Private) Limited, Nishat Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat (Gulberg) Hotels and Properties Limited, Nishat Developers (Private) Limited and Nishat Agriculture Farming (Private) Limited.



Mr. Shahmeer Khalid Butt

Director

Mr. Shahmeer Khalid Butt is a corporate finance and investment professional and has worked in different organizations in Pakistan and United Arab Emirates. Currently, he also serves as an Executive Director in Next Pharmaceuticals, being responsible for strategy, financial planning, marketing, and other operational areas. Prior to this, he served as Corporate Finance Analyst for Al Futtaim Private Company during which he led the planning, design, execution and closing of a major SGD 2 billion internal recapitalization which resulted in significant tax and interest savings.

He holds a BSc (Hons) degree in Investment and Financial Risk Management from Cass Business School at University of London. He also holds membership of Lahore's chapter of Entrepreneurs Organization (EO) which is a global peer-to-peer network of more than 14,000 influential business owners in 61 countries.



Mr. Ahmad Alman

Director

(resigned on December 30, 2024)

Mr. Ahmad Alman Aslam has four decades of professional experience in investment banking, corporate finance, and advisory services. He started his career with Citibank in 1975 and served there in various capacities over a period of 28 years. He also served as the Managing Director, based in New York, responsible for all debt issued by borrowers in the emerging markets. Mr. Aslam has also served as an advisor to EMP Washington, a US\$ 6 billion private equity fund. In Pakistan, he has served on the boards of the State Bank of Pakistan, OGDC, Adamjee Insurance, IGI Asset Management, Punjab Coal Mining Company, The Bank of Punjab, Punjab Small Industries Corporation and the Private Power and Infrastructure Board. Mr. Aslam has a Masters' degree in Business Administration from Punjab University and has attended the program for Management Development at Harvard University, Cambridge.

Chairman's Review

It gives me pleasure to present this review report to the stakeholders of Adamjee Life Assurance Company Limited (the "Company") on behalf of the Board of Directors in respect to the overall performance of the Board of Directors (the "Board") and the effectiveness of its role in achieving the objectives of the Company. The report is characterized by inclusiveness of all details apropos to the effective contributions made by the Board in the fiscal year ended on December 31, 2024 with an overview of the insurance sector.

The remarkable achievement of the SECP – Insurance Division in respect of insurance sector in Pakistan is the stimulation of the growth, additionally; there is still need to prioritize financial literacy campaigns to educate the public about the benefits of insurance. Additional regulatory reforms are also essential to creating a conducive environment for industry growth. Moreover, product innovation, digital transformation, and public-private partnerships can help attract new customers and improve efficiency. By addressing these factors, Pakistan can significantly boost its insurance sector and contribute to economic development.

Adamjee Life has implemented a robust governance framework, aligning with the Companies Act, 2017, the Listed Companies (the Code of Corporate Governance) Regulations, 2019, and the Code of Corporate Governance for Insurers, 2016. The Board of Directors, recognizing the importance of well-defined corporate governance processes, is dedicated to uphold Adamjee Life's core values and vision while ensuring elevated standards of corporate governance to safeguard and enhance stakeholders' value. A systematic evaluation mechanism has been established by the Board to regularly assess the Company's objectives, strategies, and business and financial performance.

Board members have diligently contributed to provide strategic direction, oversight, and governance, ensuring the long-term sustainability and success of the company. The Board's performance and that of its committees undergo an annual evaluation in accordance with the Code of Corporate Governance, ensuring alignment with comprehensive criteria and confirming satisfactory overall performance.

Throughout the challenging operational and financial performance of the year, the Board played an effective role in managing the affairs of the Company. The Board commits to maintaining its crucial role in shaping the Company's direction, fostering achievements and efficiency, and guiding management in alignment with Board-approved strategies while upholding the principles of sound corporate governance.

On behalf of Adamjee Life, I express gratitude for the contributions of the management, employees, regulator, vendors, contractors, and valued shareholders. Their confidence, continued support, and commitment are acknowledged and appreciated.

February 25, 2025



S. M. Jawed
Chairman

چیسر مین کا جائزہ

مجھے یہ جائزہ رپورٹ آدم جی لائف انشورنس کمپنی لمیٹڈ ("کمپنی") کے اسٹیک ہولڈرز کے سامنے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں اس کے کردار کی موثریت کے حوالے سے پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔ رپورٹ اس مالی سال کے دوران، جو 31 دسمبر 2024 کو ختم ہوا، بورڈ کی جانب سے کیے گئے موثر اقدامات کی تفصیلات پر مشتمل ہے، اور ساتھ ہی انشورنس سیکٹر کا ایک جامع جائزہ بھی پیش کرتی ہے۔

پاکستان میں انشورنس سیکٹر کی ترقی میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) - انشورنس ڈویژن کی نمایاں کامیابی قابل ستائش ہے، تاہم، عوام میں انشورنس کے فوائد کے حوالے سے شعور اجاگر کرنے کے لیے مالیاتی تعلیم کی مہمات کو ترجیح دینا ضروری ہے۔ مزید یہ کہ، انڈسٹری کی ترقی کے لیے اضافی ریگولیٹری اصلاحات ناگزیر ہیں۔ اس کے علاوہ، پروڈکٹ انویشن، ڈیجیٹل ٹرانسفارمیشن، اور پبلک-پرائیویٹ پارٹنرشپ نئے صارفین کو متوجہ کرنے اور کارکردگی کو بہتر بنانے میں مددگار ثابت ہو سکتی ہیں۔ ان عوامل پر توجہ دے کر پاکستان اپنے انشورنس سیکٹر کو نمایاں طور پر فروغ دے سکتا ہے اور اقتصادی ترقی میں اپنا کردار ادا کر سکتا ہے۔

آدم جی لائف گورننس کے ایک مضبوط فریم ورک پر عمل پیرا ہے جو کمپنیز ایکٹ 2017، لسٹڈ کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، اور کوڈ آف کارپوریٹ گورننس فار انشورنس، 2016 سے مکمل طور پر ہم آہنگ ہے۔ بورڈ آف ڈائریکٹرز کارپوریٹ گورننس کی واضح طور پر طے شدہ سرگرمیوں کی اہمیت کا ادراک کرتے ہوئے آدم جی لائف کی کلیدی اقدام اور وژن کی پاسداری کے لئے پر عزم ہے اور کارپوریٹ گورننس کے بلند معیارات کو یقینی بناتے ہوئے سٹیک ہولڈرز کے ویلوز کو تحفظ دینے اور اسے بہتر بنانے کے لئے سرگرم عمل ہے۔

بورڈ کے اراکین نے سٹریٹجک سمت سے روشناس کرانے نگرانی اور گورننس کی سرگرمیوں اور دور رس بنیادوں پر کمپنی کی پائیداری اور کامیابی یقینی بنانے کے لئے اپنا کردار انتہائی مستعدی اور تذبذب سے ساتھ انجام دیا ہے۔ کوڈ آف کارپوریٹ گورننس کی روشنی میں بورڈ اور اس کی کمیٹیوں کی کارکردگی ہر سال جانچ پرکھ کے عمل سے گزرتی ہے جس کے ذریعے ایک جامعہ مطلوبہ معیار کی پاسداری یقینی بنائی جاتی ہے اور بحیثیت مجموعی تسلی کارکردگی کے تقاضوں کو پورا یا جاتا ہے۔

سال بھر کے چیلنجز سے بھرپور آپریشنل اور مالیاتی سرگرمیوں میں بورڈ نے کمپنی کے انتظامی امور چلانے میں موثر کردار ادا کیا۔ بورڈ کمپنی کی سمت وضع کرنے۔ عمدہ کارکردگی اور کامیابیوں کے سفر کو آگے بڑھانے اور عمدہ کارپوریٹ گورننس کے اصولوں کی پاسداری کرتے ہوئے بورڈ کی منظور شدہ حکمت عملیوں کی روشنی میں مینجمنٹ کی رہنمائی میں اپنا کلیدی کردار مسلسل بنیادوں پر ادا کرنے کے لئے پر عزم ہے۔

آدم جی لائف کی جانب سے، میں مینجمنٹ، ملازمین، ریگولیٹرز، کلائینٹس، ویبڈرز، کنٹریکٹرز، اور معزز شیئرز ہولڈرز کی گرانقدر خدمات پر شکر گزار ہوں۔ ان کے اعتماد، مسلسل حمایت، اور پختہ عزم لائق تعظیم اور قابل تحسین ہے۔


ایس ایم جاوید

25 فروری 2025

Directors' Report

The Directors of Adamjee Life Assurance Company Limited take pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended December 31, 2024.

Financial Highlights

The highlights for the year under review are as follows:

	31 December 2024 Audited	31 December 2023 Audited
	Rupees in '000	
Gross premium	30,968,830	23,350,828
Net premium	30,284,691	22,685,659
Investment income	26,771,527	18,062,049
Net benefits paid to and reserved for policyholders	49,642,838	34,893,773
Acquisition & other operating expenses	4,877,141	4,312,733
Profit before tax	2,536,239	1,541,202
Profit after tax	1,554,305	908,075
Size of statutory fund	104,946,390	78,264,502
Shareholders' equity	5,432,729	4,417,568
	Rupees	
Earnings per share	6.22	3.63

Performance Review

Pakistan's macroeconomic indicators have witnessed a broad-based improvement since the entry into the IMF fold last year. The economic stability is insight with relatively stable USD parity, projected GDP growth of around 3%, improved current account situation, downward trajectory in headline inflation with decreasing interest rates.

The Company has delivered an outstanding result despite the challenging environment thanks to steady portfolio buildup over the years, lower acquisition cost, and significantly higher returns on investments against non-policyholders' reserves.

Both gross and net premiums have shown remarkable growth of around 33%. Investment income has also surged by 48% during the year, fueled by a strongly bullish stock market and earnings from high interest bearing securities. Consequently, the benefits paid and reserves set aside for policyholders have increased by 42% compared to prior year. The Company's underwriting margin was 10.08% as against 10.88% last year due to sale of high volume of single premium policies. The profit before tax for the year has grown by 65%, while profit after tax has risen by nearly 71% compared to last year.

Though the new business from bancassurance segment has declined by 6% in line with the focus on further improving quality of sales and documentation, it is very encouraging to note that business from Agency distribution has grown by 14% despite the negative growth registered by most of our competitors in the similar distribution line. The total of new regular premium business of the Company was Rs. 2.8 billion.

We are also pleased to report that our business from group life segment has registered a growth of 20%, which now stands at Rs. 1.1 billion.

The highest growth of 84% was seen in sale of single premium policies with gross premium of Rs. 17 billion which though carries short term maturity of 2-3 years.

The renewal premium of Rs.10.12 billion registered a decline of 2% due to higher amount of maturities falling due in 2024 and higher policy surrenders due to financial crunch experienced by the masses in the past year. This trend will hopefully be reversed with improving economic situation.

The returns and policyholders' cash values have significantly improved in the funds which are majorly invested in comparatively low risk, debt and money market instruments due to historically high interest rates and booming equity market. The average return earned on all funds combined was 27.2% p.a. in 2024.

Subsequent to the end of financial year 2024, the SHC has dismissed industry's petition on chargeability of provincial sales tax on life insurance merely on technical grounds and without considering the merits of the arguments that forms the basis of the petition, essentially directing the petitioners to re-approach SRB regarding show cause notices issued by the department, on the matter of taxability of life and health insurance. However, it has been unanimously decided by the industry, through the platform of Insurance Association of Pakistan (IAP), to refer the case to and file a constitutional petition in the Supreme Court of Pakistan.

Due to the significance of the matter to the users of the financial statements, the auditors have highlighted the aforesaid matter in their audit report, by inserting an emphasis of matter paragraph.

The Company was so far on track with respect to implementation of IFRS -17 according to phase wise scheduled given by the SECP. The Company has successfully completed Phase III during the year and has entered into final Phase IV which requires system development & implementation, audited test runs and GO-Live with effect from January, 1 2026. There are certainly some challenges which the Company has to face in this final phase with regards to availability of skilled actuarial resources in the Country.

Window Takaful Operations

The gross contribution generated from Window Takaful Operations was Rs. 4.259 Billion (Dec 31, 2023: Rs. 3.988 Billion). The profit before tax that has been reported for December 31, 2024 amounts to Rs. 422.48 million, which is an increase of 67.76% from the corresponding period i.e. Rs. 251.84 million. The new business mix of takaful was 38.31% as against 25% in the last year.

Surplus Transfer

During the year, a surplus of Rs. 500 million has been transferred from the statutory funds to the shareholder's fund. Such an amount was transferred based on the advice of the Appointed Actuary of the Company.

Future Outlook

Pakistan's economy is undergoing a process of structural reforms in alignment with the international financing programs. A stable and well-functioning democracy is a prerequisite to initiating structural reforms and institutional overhauling. The indication of stable macroeconomic factors, as mentioned above at the beginning of this report, will improve the liquidity and disposable income of the masses and hence there will be a higher propensity to buy financial products in the market. We believe that there is a significant opportunity in creating awareness about the life insurance products along with developing new products according to the needs of the market. The above mentioned steps must be accompanied with creating excellence in the customers' journey starting from the issuance of the policy till the end of the contract. This can only be done through digital enablement of the entire process.

The Company's leadership is well cognizant of all the challenges mentioned above and is actively implementing essential strategies to capture greater market share in the coming times.

The year 2025 is also anticipated to pose certain challenges in response to declining interest rates. Therefore, it will be difficult to maintain the higher rate of returns on investments which was experienced in the last couple of years.

The Company will continue to analyze the situation carefully to explore new opportunities, new markets and to improve policyholders' experience.

Directors' Report

The implementation of Phase IV with respect to IFRS-17 will be a major project that will draw significant technical resources of the Company. The Company has adequately budgeted for such implementation. The IFRS-17 will greatly enhance the understandability of the financial statements. The Company so far is on track with the Go-Live date of January 01, 2026. However, as mentioned above, there is a dearth of relevant technical resources in the country which may put extra pressure on the Company's resources both in terms of time and money.

The Company is more than sufficiently capitalized, all its statutory funds are adequately solvent with total reserves of Rs. 2.9 billion over its paid-up capital.

Earnings per Share

The basic and diluted earnings per share for the year 2024 were Rs. 6.22 as compared to Rs. 3.63 in 2023.

Dividends to Shareholders

The Board of Directors has recommended a final cash dividend of Rs. 1 per share, i.e. 10%. This is in addition to the interim cash dividend paid by the Company of Rs. 1.00 per share (10%), thereby making a total cash dividend of Rs. 2 per share, i.e. 20% for the year 2024, subject to the approval of the shareholders at the Annual General Meeting of the Company to be held on April 28, 2025.

Insurer Financial Strength Rating (IFS rating)

The Pakistan Credit Rating Agency Limited reviews the Company's IFS rating on an annual basis. On June 26, 2024, the most recent annual assessment was completed, and the company's IFS rating was confirmed at A++, with a "Stable" Outlook. The rating takes into account the Company's strong capacity to fulfil its contractual and policyholder commitments. The Company's operations under both the Conventional and Window Takaful Operations showed growth patterns and a premium base that contrasted favorably to rivals, according to the PACRA rating assessment.

Awards and Accolades

The Company continued to add more feathers to its cap during the year 2024 and have won the Pakistan Digital Award—Best Digital Campaign of the Year 2024 (Small Budget) at Digi Awards 2024

Code of Conduct & Business Ethics

Adamjee Life has established a Code of Conduct, which outlines the duties and responsibilities of all stakeholders, including board members, employees, and the company itself. This Code is based on the company's Corporate Strategy, Vision, Mission, and Core Values, and is a crucial aspect of the company culture. The Code of Conduct can be found on the company's website, and has been effectively communicated throughout the organization.

Corporate Social Responsibility (CSR)

Being a part of one of the largest conglomerates in Pakistan, Adamjee Life has always been a purpose driven Organization. Our CSR wing – Nigehbaan - strives to improve the lives in low income communities with impactful initiatives.

The CSR Policy, which was adopted by the Board, offers a guiding framework for realizing our goal.

The initiatives for year 2024 were in collaboration with Kiran Foundation, Hunar Foundation, and Indus Hospital. The details of CSR activities are as follows:

CSR initiatives taken during the year were:

- Sisterhood Circle at Kiran Foundation in Lyari where women came together to share their stories of love and joy, gratitude and abundance, blessings and rewards
- Education and Digital courses under the Khuwabon ke Nigehbaan: Education and Skill Development Programme in collaboration with Kiran Foundation and Hunar Foundation
- Support for Kiran Foundation's Mindful Mela programme, and Mental Health programme

- Blood Donation Drive with Indus Hospital
- Lecture series with Indus Hospital with employees
- Khudmukhtar: Future Business Leaders program for students of Kiran Foundation
- Sponsorship for technical education of select individuals at Hunar Foundation, which led to On Job Training and entrepreneurship opportunities for financial independence

Board Evaluation Mechanism

As required by the Code of Corporate Governance Regulations, the Board of Directors of the Company has a framework in place for evaluating both the performance of the Board and that of its committees on an annual basis. These review processes are conducted yearly by the Board of Directors and the Board Committees in which area needed greater focus and participation are identified and worked upon.

Directors' Compensation

The Board of Directors is empowered under the Company's Articles to periodically determine the compensation for Non-Executive and Independent Directors. A "Board Remuneration Policy" has been authorized by the Board of Directors. Except for the meeting fee for attending the Board meetings strictly in accordance with the policy, the Company does not provide any other compensation to its non-executive directors. The compensation given to the directors including the cost of attending Board or Board committee meetings, has been properly stated in note 40 of the financial statements.

Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, Code of Corporate Governance for Insurers, 2016, and with PSX Rule Book

As a listed life insurance company, the Company abides by the rules of the PSX Rule Book, the Listed Companies (Code of Corporate Governance) 2019, and the particular Code of Corporate Governance for Insurers, 2016. The Statement of Compliance, which relates to these standards, is appended to the Annual Report.

Board of Directors

A total of four non-executive directors, one female director, and two independent non-executive directors make up the Board of Directors for the Company.

According to the mandated gender diversity, the Board of Directors is made up of the following:

NAME	CATEGORY
Mr. Ahmad Alman Aslam	Independent Director (Resigned on December 30, 2024)
Mr. Shahmeer Khalid Butt	Independent Director
Mr. Umer Mansha	Non-Executive Director
Mrs. Naz Mansha	Female Director
Mr. Shaikh Muhammad Jawed	Non-Executive Director
Mr. Imran Maqbool	Non-Executive Director
Mr. Muhammad Ali Zeb	Non-Executive Director

Directors' Report

Directors' Participation / Attendance in various meetings including Board, its Committees and Annual General Meeting (AGM) held during 2024 is presented in below table:

	Board Meeting	BAC	EHRRNC	BIC	AGM
Name No. of Meeting held During 2023	5	4	2	4	1
Director					
Mr. Shaikh Muhammad Jawed	5	4	2	4	1
Mr. Umer Mansha	4		0		1
Mrs. Naz Mansha	4				1
Mr. Muhammad Ali Zeb	5	4	2	4	1
Mr. Imran Maqbool	5			4	1
Mr. Ahmad Alman Aslam	1				1
Mr. Shahmeer Khalid Butt	5	4	2		1
Management					
Mr. Samad Ali Naqvi		4			1
Mr. Muhammad Amir				4	
Ms. Zehra Faiz			2		
Mr. Jalal Meghani	5	4		4	1
Mr. Amin Nizar Ali				4	
Mr. Manzar Mushtaq	5	4	2	4	1

BAC: Board Audit Committee

EHRRNC: Ethics, Human resource, Remuneration and Nomination Committee

BIC: Board Investment Committee

Management Committees under the Code of Corporate Governance for Insurers, 2016

In addition to the aforementioned, the following three committees are also chaired by the directors of the company and operate in accordance with the terms of reference laid forth in the Code of Corporate Governance for Insurers, 2016:

1. Claims Settlement Committee
2. Underwriting, Reinsurance & Co-insurance Committee
3. Risk Management & Compliance Committee

Other committees include the Investment Management Committee (IMC), the IT Steering Committee (ITSC), Project Management Group (PMG) and Fraud Management Committee (FMC).

Pattern of Shareholding

Details of shareholding pattern are available in the Governance section of the annual report.

Internal Audit Function

The Internal Audit Department of the company operates under a defined scope and authority, outlined in the approved Internal Audit Charter. This department follows a risk-based methodology for conducting internal audits, evaluating the effectiveness and sufficiency of internal controls, consistency in policy and procedure application, and adherence to laws and regulations. Based on the reports generated by the internal audit function, process owners take corrective actions to enhance controls. To preserve its impartiality and independence, the Internal Audit Department reports to the Board Audit Committee (BAC) in a functional capacity and to the CEO in an administrative capacity.

Risk and Opportunity

The company has a strong risk management system in place. The Board of Directors closely monitors risks, through Risk Management & Compliance Committee, and performs comprehensive assessments to ensure smooth business operations and to take advantage of opportunities that align with the company's long-term strategies and vision. They are diligent in identifying and mitigating risks.

Material Changes

There have been no material changes since December 31, 2023, to the date of this report except for the change of Head of Takaful, Company Secretary and resignation of an independent director.

Holding Company

The Company is a subsidiary of the Adamjee Insurance Company Limited.

Corporate and Financial Reporting Frame Work

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- System of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- The key operating and financial data for the last six years is annexed.
- The value of assets of gratuity fund as at December 2024 is Rs. 234 million (2023: Rs. 215 Million) refer note 20 of the financial statements.

Auditors

The retiring auditor M/s. KPMG Taseer Hadi & Co, Chartered Accountants have indicated their consent to act as auditors of the Company. The Audit Committee, and the Board of Directors have recommended the appointment of the same external auditor as approved by the Parent Company as required by law.

Acknowledgement

The Company's talented and distinguished executives, personnel, and field force made a significant contribution to its development and progress, and the Directors want to publicly express their gratitude for this. Their persistent dedication to upholding the highest ethical standards, providing excellent customer service, and hard work have enabled your company to establish and hold its position as one of the top players among private sector life insurers.

We must also express our thanks to Adamjee General for their ongoing support and direction, which have helped the company build a solid reputation in the marketplace.

Finally, we would like to express our gratitude to the Securities and Exchange Commission of Pakistan for their support and cooperation throughout the year as well as to our clients for their faith in us.

February 25, 2025


S.M. Jawed
Chairman


Manzar Mushtaq
Chief Executive Officer

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ڈائریکٹرز کا جائزہ

• گریجویٹ فنڈ کی مالیت دسمبر 2024 میں 234 ملین روپے ہے (2023: 215 ملین روپے)۔ (تفصیلات مالیاتی گوشواروں کے نوٹ 20 میں موجود ہیں۔)

آڈیٹرز

ریٹائر ہونے والے آڈیٹرز، KPMG تاثر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس نے 2025 کے لیے کمپنی کے آڈیٹرز کے طور پر آئندہ بھی خدمات انجام دینے پر آمادگی ظاہر کی ہے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے، قانونی تقاضوں کے تحت، مادر کمپنی کی منظوری سے انہی بیرونی آڈیٹرز کی دوبارہ تقرری کی سفارش کی ہے۔

اعتراف

کمپنی کی ترقی اور کامیابی میں اس کے باصلاحیت ایگزیکٹوز، ملازمین، اور فیلڈ فورس نے نمایاں کردار ادا کیا ہے۔ بورڈ آف ڈائریکٹرز ان کی محنت، دیانت داری، اور کسٹمر سروس میں بہترین کارکردگی کو خراج تحسین پیش کرتا ہے۔

ہم ادبی جزل انشورنس کے بھی شکر گزار ہیں، جن کی مسلسل حمایت اور رہنمائی نے کمپنی کو مارکیٹ میں ایک مضبوط مقام بنانے میں مدد فراہم کی۔

آخر میں، ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے تعاون اور مدد کے ساتھ ساتھ اپنے معزز کسٹمرز کا شکریہ ادا کرتے ہیں، جنہوں نے ہم پر اپنا اعتماد برقرار رکھا۔

Mansur Murataq

منظر مشتاق (چیف ایگزیکٹو آفسر)

ایس ایم جاوید (چیرمین)

فروری 2025

اہم تبدیلیاں

31 دسمبر 2023 کے بعد سے، اس رپورٹ کی تاریخ تک کوئی نمایاں تبدیلی نہیں آئی، سوائے درج ذیل کے:

- ہیڈ آف نکافل کی تقرری میں تبدیلی
- کمپنی سیکریٹری کی تبدیلی
- ایک آزاد ڈائریکٹر کا استعفیٰ

ہولڈنگ کمپنی

یہ کمپنی ادجی انشورنس کمپنی لمیٹڈ کی ذیلی کمپنی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

- کمپنی کے مالیاتی گوشوارے اس کی مالی صورتحال، آپریشنز کے نتائج، کیش فلو، اور ایکونٹی میں تبدیلی کو منصفانہ طریقے سے پیش کرتے ہیں۔
- کمپنی نے مناسب اکاؤنٹنگ پیکس برقرار رکھے ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے، اور اکاؤنٹنگ کے اندازے درست اور محتاط فیصلوں پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کو مناسب طریقے سے ظاہر کیا گیا ہے۔
- کمپنی کے اندرونی کنٹرول کا نظام مضبوط اور مؤثر طریقے سے نافذ اور مانیتزر کیا گیا ہے۔
- کمپنی کی بطور فعال ادارہ جاری رہنے کی صلاحیت پر کوئی قابل ذکر شبہات موجود نہیں ہیں۔
- کمپنی نے کارپوریٹ گورننس کے بہترین اصولوں سے کسی بھی قسم کی نمایاں روگردانی نہیں کی۔
- گزشتہ چھ سالوں کے کلیدی آپریشنل اور مالیاتی اعداد و شمار رپورٹ کے ساتھ منسلک کیے گئے ہیں۔

ڈائریکٹرز کا جائزہ

انشورنس کمپنیوں کے لیے 2016 کے کارپوریٹ گورننس کوڈ، کے تحت مینجمنٹ کمیٹیاں

مندرجہ بالا کے علاوہ، درج ذیل تین کمیٹیاں بھی کمپنی کے ڈائریکٹرز کی سربراہی میں کام کرتی ہیں اور انشورنس کمپنیوں کے لیے 2016 کے کارپوریٹ گورننس کوڈ میں متعین کردہ شرائط و ضوابط کے مطابق کام کرتی ہیں:

1. کلیم سیٹلمنٹ کمیٹی
2. انڈر رائٹنگ، ری انشورنس اور کو-انشورنس کمیٹی
3. رسک مینجمنٹ اور کمپلائنس کمیٹی

دیگر کمیٹیوں میں انویسٹمنٹ مینجمنٹ کمیٹی (IMC)، آئی ٹی اسٹریٹجی کمیٹی (ITSC)، پروجیکٹ مینجمنٹ گروپ (PMG)، اور فراڈ مینجمنٹ کمیٹی (FMC) شامل ہیں۔

انٹرنل آڈٹ فنکشن

کمپنی کا انٹرنل آڈٹ ڈیپارٹمنٹ ایک متعین دائرہ کار اور اختیارات کے تحت کام کرتا ہے، جو انٹرنل آڈٹ چارٹر میں بیان کیے گئے ہیں۔ یہ ڈیپارٹمنٹ ایک رسک میٹریکس اور جی کے تحت انٹرنل آڈٹ کرتا ہے، جس میں اندرونی کنٹرول کی افادیت اور مؤثریت، پالیسی اور طریقہ کار کے اطلاق میں یکسانیت، اور قوانین و ضوابط کی پاسداری کا جائزہ لیا جاتا ہے۔ انٹرنل آڈٹ کی رپورٹس کی روشنی میں پروسیس اور زبہتری کے اقدامات کرتے ہیں۔

انٹرنل آڈٹ ڈیپارٹمنٹ کی غیر جانبداری اور خود مختاری کو برقرار رکھنے کے لیے، یہ بورڈ آڈٹ کمیٹی (BAC) کو فنکشنل رپورٹنگ اور سی ای او کو ایڈمنسٹریٹو رپورٹنگ دیتا ہے۔

رسک اور مواقع

کمپنی کے پاس ایک مضبوط رسک مینجمنٹ سسٹم موجود ہے۔ بورڈ آف ڈائریکٹرز اور رسک مینجمنٹ اینڈ کمپلائنس کمیٹی کے ذریعے کمپنی کی قیادت کاروباری خطرات پر قریبی نظر رکھتی ہے اور جامع تجزیے کرتی ہے تاکہ کاروباری سرگرمیوں کو بہتر طریقے سے چلایا جاسکے اور طویل المدتی حکمت عملی اور وژن کے مطابق مواقع سے فائدہ اٹھایا جاسکے۔

یہ ٹیبل 2024 کے دوران منعقدہ بورڈ اجلاس، اس کی کمیٹیوں، اور سالانہ جنرل اجلاس (AGM) میں ڈائریکٹرز اور مینجمنٹ کی شرکت / حاضری کو واضح کرتا ہے۔

اجلاس کی قسم	بورڈ میٹنگ	BAC	EHRRNC	BIC	AGM
سال 2023 میں منعقدہ اجلاسوں کی تعداد	5	4	2	4	1
ڈائریکٹرز					
شیخ محمد جاوید	5	4	2	4	1
عمر منشاء	4	-	0	-	1
ناز منشاء	4	-	-	-	1
محمد علی زیب	5	4	2	4	1
عمران مقبول	5	-	-	4	1
احمد المن اسلم	1	-	-	-	1
شاہ میر خالد بٹ	5	4	2	-	1
مینجمنٹ					
سمعاد علی نقوی	-	4	-	-	1
محمد عامر	-	-	-	4	-
زہرا فیض	-	-	2	-	-
جلال میگھانی	5	4	-	4	1
ایمن نزار علی	-	-	-	4	-
منزر مشتاق	5	4	2	4	1

بورڈ آڈٹ کمیٹی (BAC)

اخلاقیات، انسانی وسائل، معاوضہ اور نامزدگی کمیٹی (EHRRNC)

بورڈ انویسٹمنٹ کمیٹی (BIC)

ڈائریکٹرز کا جائزہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس)، 2019 انشوررز کے لیے کوڈ آف کارپوریٹ گورننس 2016، اور PSX رول بک کی تعمیل

بطور ایک لسٹڈ انٹرف انشورنس کمپنی، کمپنی PSX رول بک، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس)، 2019 اور انشوررز کے لیے مخصوص کوڈ آف کارپوریٹ گورننس، 2016 کے ضوابط کی مکمل پاسداری کرتی ہے۔ سالانہ رپورٹ میں "اسٹیٹمنٹ آف کمپلائنس" شامل کی گئی ہے، جو ان تمام ضوابط کی تعمیل کو ظاہر کرتی ہے۔

بورڈ آف ڈائریکٹرز

کمپنی کا بورڈ آف ڈائریکٹرز، کل چار نان ایگزیکٹو ڈائریکٹرز، ایک خاتون ڈائریکٹر، اور دو انڈیپنڈنٹ نان ایگزیکٹو ڈائریکٹرز شامل ہیں۔ مطلوبہ جینڈر ڈائیورسٹی کے مطابق، بورڈ آف ڈائریکٹرز درج ذیل اراکین پر مشتمل ہے:

نام	عہدہ
مسٹر احمد اسلم	آزاد ڈائریکٹر (30 دسمبر 2024 کو مستعفی ہوئے)
مسٹر شاہ میر خالد بیٹ	آزاد ڈائریکٹر
مسٹر عمر منشاہ	نان ایگزیکٹو ڈائریکٹر
مسز ناز منشاہ	خاتون ڈائریکٹر
مسٹر شیخ محمد جاوید	نان ایگزیکٹو ڈائریکٹر
مسٹر عمران مقبول	نان ایگزیکٹو ڈائریکٹر
مسٹر محمد علی زیب	نان ایگزیکٹو ڈائریکٹر

ڈائریکٹرز کی شرکت / حاضری

سال 2024 کے دوران منعقد ہونے والے بورڈ، اس کی کمیٹیوں، اور سالانہ جنرل اجلاس (AGM) سمیت مختلف اجلاسوں میں ڈائریکٹرز کی شرکت / حاضری درج ذیل جدول میں پیش کی گئی ہے:

- لیاری میں کرن فاؤنڈیشن کے تحت "سسٹر ہوڈسرکل" جہاں خواتین نے اپنی محبت، خوشی، شکر گزاری، نعمتوں اور کامیابیوں کی کہانیاں ایک دوسرے سے شیئر کیں۔
- "خواہوں کے نگہبان: تعلیم اور ہنر کی ترقی کا پروگرام" جس کے تحت کرن فاؤنڈیشن اور ہنر فاؤنڈیشن کے ساتھ مل کر تعلیمی اور ڈیجیٹل کورسز کا انعقاد کیا گیا۔
- کرن فاؤنڈیشن کے "ماسٹرفل میلہ" پروگرام اور ذہنی صحت کے منصوبے کی معاونت۔
- انڈس اسپتال کے ساتھ بلڈ ڈونیشن ڈرائیو کا انعقاد۔
- انڈس اسپتال کے ساتھ ملازمین کے لیے لیکچر سیریز کا انعقاد۔
- کرن فاؤنڈیشن کے طلبہ کے لیے "خود مختار: مستقبل کے بزنس لیڈرز" پروگرام۔
- ہنر فاؤنڈیشن میں منتخب افراد کے لیے ٹیکنکل ایجوکیشن کی اسپانسرشپ، جس سے انھیں آن جاب ٹریننگ اور کاروباری مواقع ملے تاکہ وہ مالی طور پر خود مختار بن سکیں۔

بورڈ ایویلیویشن میکنزم

کارپوریٹ گورننس کے ضابطہ 2019 کے مطابق، کمپنی کے بورڈ آف ڈائریکٹرز نے ایک ایسا فریم ورک ترتیب دیا ہے جس کے تحت سالانہ بنیادوں پر بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لیا جاتا ہے۔ یہ سالانہ جائزہ بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیز کے ذریعے لیا جاتا ہے، جس میں ان شعبوں کی نشاندہی کی جاتی ہے جن میں مزید بہتری اور شمولیت درکار ہو، اور ان پہ عملی اقدامات کیے جاتے ہیں۔

ڈائریکٹرز کا معاوضہ

کمپنی کے آرٹیکلز کے مطابق، بورڈ آف ڈائریکٹرز کو یہ اختیار حاصل ہے کہ وہ وقتاً فوقتاً نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کے معاوضے کا تعین کرے۔ بورڈ آف ڈائریکٹرز نے ایک "بورڈ ریویو نیشن پالیسی" کی منظوری دی ہے۔ کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو بورڈ میٹنگز میں شرکت کے لیے فیس کے علاوہ کوئی اضافی معاوضہ فراہم نہیں کرتی، اور یہ فیس کمپنی کی پالیسی کے عین مطابق ہے۔ بورڈ یا بورڈ کمیٹی میٹنگز میں شرکت پر ہونے والے اخراجات سمیت تمام معاوضے مالیاتی گوشواروں کے نوٹ 40 میں واضح طور پر بیان کیے گئے ہیں۔

ڈائریکٹرز کا جائزہ

کمپنی 1 روپے فی شیئر (10 فیصد) کا عبوری ڈیویڈنڈ پہلے ہی ادا کر چکی ہے۔ اس طرح کل نقد ڈیویڈنڈ 2 روپے فی شیئر (20 فیصد) بنتا ہے، جس کی منظوری کمپنی کی سالانہ جنرل میٹنگ میں 28 اپریل 2025 کو لی جائے گی۔

انشورر فنانشل اسٹریٹجی ریٹنگ (IFS) ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کمپنی کی IFS ریٹنگ کا سالانہ جائزہ لیتی ہے۔ 26 جون 2024 کو کیے گئے حالیہ سالانہ جائزے کے مطابق کمپنی کی IFS ریٹنگ A++ برقرار رکھی گئی، جس کا آؤٹ لک "مستحکم" قرار دیا گیا۔ اس ریٹنگ میں کمپنی کی پالیسی ہولڈرز اور معاہدہ جاتی ذمہ داریوں کو پورا کرنے کی مضبوط صلاحیت کو مد نظر رکھا گیا ہے۔ PACRA کے جائزے کے مطابق، کمپنی کے روایتی اور ونڈو تکافل آپریشنز کی ترقی اور پریمیم میں زیادہ تر حریفوں کے مقابلے میں بہتر رہی ہے۔

ایوارڈز اور اعزازات

سال 2024 کے دوران کمپنی نے مزید کامیابیاں حاصل کیں اور **Digi Awards 2024** میں پاکستان ڈیجیٹل ایوارڈز-کم بجٹ میں بہترین ڈیجیٹل مہم جیتا۔

کاروباری اخلاقیات اور ضابطہ اخلاق

ایڈم جی لائف نے ایک ضابطہ اخلاق (Code of Conduct) مرتب کیا ہے، جو تمام اسٹیک ہولڈرز بشمول بورڈ ممبران، ملازمین، اور کمپنی کے دیگر افراد کی ذمہ داریوں کو واضح کرتا ہے۔ یہ ضابطہ کمپنی کی کارپوریٹ اسٹریٹجی، وژن، مشن اور بنیادی اقدار پر مبنی ہے اور کمپنی کلچر کا ایک اہم جزو ہے۔ ضابطہ اخلاق کمپنی کی ویب سائٹ پر دستیاب ہے اور اسے تنظیم کے اندر موثر انداز میں متعارف کروایا گیا ہے۔

کارپوریٹ سوشل ریسپانسبلٹی (CSR)

پاکستان کے سب سے بڑے کاروباری گروپس میں سے ایک کا حصہ ہونے کے ناطے، آدم جی لائف ہمیشہ سے ایک مقصد پر مبنی تنظیم رہی ہے۔ ہمارا CSR ونگ "نگہبان" کم آمدنی والی کمیونٹیز میں بہتری لانے کے لیے موثر اقدامات کے ذریعے کام کر رہا ہے۔

بورڈ کی طرف سے منظور شدہ CSR پالیسی ہمارے مقصد کے حصول کے لیے ایک رہنما فریم ورک فراہم کرتی ہے۔

سال 2024 کے CSR اقدامات کرن فاؤنڈیشن، ہنر فاؤنڈیشن، اور انڈس اسپتال کے ساتھ شراکت میں کیے گئے۔ ان سرگرمیوں کی تفصیلات درج ذیل ہیں:

مصنوعات کی خریداری کا رجحان بڑھے گا۔ ہم سمجھتے ہیں کہ زندگی کی بہتر مصنوعات کے بارے میں آگاہی پیدا کرنے اور مارکیٹ کی ضروریات کے مطابق نئی مصنوعات متعارف کروانے میں نمایاں مواقع موجود ہیں۔ ان اقدامات کے ساتھ ساتھ، صارفین کے تجربے میں بہتری لانا بھی ضروری ہے، جو پالیسی کے اجراء سے لے کر معاہدے کے اختتام تک بہترین سہولت فراہم کرے۔ یہ ہدف مکمل ڈیجیٹلائزیشن کے ذریعے ہی حاصل کیا جاسکتا ہے۔

کمپنی کی قیادت ان تمام چیلنجز سے بخوبی آگاہ ہے اور مستقبل میں زیادہ مارکیٹ شیئر حاصل کرنے کے لیے مؤثر حکمت عملی پر عمل پیرا ہے۔

سال 2025 میں شرح سود میں متوقع کمی کے باعث کچھ چیلنجز درپوش ہو سکتے ہیں۔ پچھلے چند سالوں میں حاصل ہونے والے بلند سرمایہ کاری منافع کو برقرار رکھنا مشکل ہوگا۔

کمپنی مستقبل کے مواقع تلاش کرنے، نئی مارکیٹوں میں داخل ہونے اور پالیسی ہولڈرز کے تجربے کو مزید بہتر بنانے کے لیے صورت حال کا بغور جائزہ لیتی رہے گی۔

IFRS-17 فیئر IV کا نفاذ

کمپنی کے لیے IFRS-17 کے فیئر IV کا نفاذ ایک بڑا منصوبہ ہوگا، جس کے لیے تکنیکی وسائل کی بڑی تعداد درکار ہوگی۔ کمپنی نے اس مقصد کے لیے مناسب بجٹ مختص کر رکھا ہے۔ IFRS-17 کے نفاذ سے مالیاتی بیانات کی تفہیم میں نمایاں بہتری آئے گی۔ کمپنی اب تک 1 جنوری 2026 کی "گولائیو" تاریخ کے مطابق کام کر رہی ہے۔ تاہم، ملک میں متعلقہ تکنیکی وسائل کی کمی کے باعث کمپنی کو وقت اور لاگت دونوں کے لحاظ سے دباؤ کا سامنا کرنا پڑ سکتا ہے۔

سرمایہ اور مالی استحکام

کمپنی کے پاس وافر سرمایہ موجود ہے اور اس کے تمام قانونی فنڈز پوری طرح سالوینٹ ہیں، جن کے مجموعی ذخائر 2.9 ارب روپے سے زائد ہیں۔

فی شیئر آمدنی

سال 2024 کے لیے بنیادی اور کم شدہ فی شیئر آمدنی 6.22 روپے رہی، جو 2023 میں 3.63 روپے تھی۔

حصہ داروں کو ڈیویڈنڈ کی ادائیگی

بورڈ آف ڈائریکٹرز نے سال 2024 کے لیے 1 روپے فی شیئر (10 فیصد) کے حتمی نقد ڈیویڈنڈ کی سفارش کی ہے۔ اس سے قبل

ڈائریکٹرز کا جائزہ

پالیسی ہولڈرز کے منافع میں بھی نمایاں بہتری آئی ہے، کیونکہ کمپنی کے فنڈز زیادہ تر کم رسک والے ڈیبٹ (DEBT) اور منفی مارکیٹ کی سرمایہ کاری میں لگائے گئے ہیں، جو بلند شرح سود اور تیزی سے بڑھتی ہوئی ایکویٹی مارکیٹ کے باعث 27.2 فیصد سالانہ منافع دے رہے ہیں۔

سال 2024 کے اختتام کے بعد، سندھ ہائی کورٹ (SHC) نے انشورنس انڈسٹری کی درخواست کو صرف تکنیکی بنیادوں پر مسترد کر دیا اور صوبائی سلیز ٹیکس کے نفاذ کے بنیادی دلائل پر غور نہیں کیا، اور درخواست گزاروں کو سندھ ریونیو بورڈ (SRB) سے رجوع کرنے کی ہدایت دی گئی۔ تاہم، انشورنس ایسوسی ایشن آف پاکستان (IAP) کے پلیٹ فارم سے یہ متفقہ فیصلہ کیا گیا ہے کہ معاملے کو سپریم کورٹ میں لے جایا جائے اور اس کے خلاف آئینی درخواست دائر کی جائے۔

اس قانونی معاملے کی اہمیت کے پیش نظر، کمپنی کے آڈیٹرز نے اپنے آڈٹ رپورٹ میں اس پر زور دیا ہے۔

کمپنی نے SECP کی مرحلہ وار ہدایات کے مطابق IFRS-17 کے نفاذ میں نمایاں پیش رفت کی ہے۔ کمپنی نے فیز III کامیابی سے مکمل کر لیا ہے اور اب فائل فیز IV میں داخل ہو چکی ہے، جس میں سسٹم ڈیولپمنٹ، آڈٹ شدہ ٹیسٹ رنز، اور یکم جنوری 2026 سے مکمل نفاذ شامل ہیں۔

ونڈو تکافل آپریشنز

ونڈو تکافل آپریشنز کے تحت مجموعی کنزی بیوشن 4.259 ارب روپے تک پہنچ گیا، جو 2023 میں 3.988 ارب روپے تھا۔ ٹیکس سے قبل منافع 67.76 فیصد بڑھ کر 422.48 ملین روپے ہو گیا، جو گزشتہ سال 251.84 ملین روپے تھا۔ تکافل کے نئے کاروبار کا تناسب 38.31 فیصد تک پہنچ گیا، جو پچھلے سال 25 فیصد تھا۔

سرپلس ٹرانسفر

سال کے دوران، 500 ملین روپے کی اضافی رقم سٹیچوٹری فنڈز سے حصص داران کے فنڈ میں منتقل کی گئی۔ رقم کی یہ منتقلی کمپنی کی طرف سے مقرر کئے گئے ایکچوٹری کے مشورے کی بنیاد پر کی گئی۔

آئندہ منظر نامہ

پاکستان کی معیشت بین الاقوامی مالیاتی پروگراموں کے مطابق ڈھانچہ جاتی اصلاحات کے عمل سے گزر رہی ہے۔ اداروں کی بنیادی اصلاحات اور اور ہائنگ کے کئے ایک مستحکم اور فعال جمہوری نظام کلیدی کردار ادا کرتا ہے۔ جیسا کہ اس رپورٹ کے آغاز میں ذکر کیا گیا، مستحکم معاشی عوامل کی موجودگی سے لیکویڈٹی اور عوام کی قابل خرچ آمدنی میں بہتری آئے گی، جس کے نتیجے میں مالیاتی

کارکردگی کا جائزہ

پاکستان کے معاشی اشاریے بین الاقوامی مالیاتی فنڈ (IMF) کے پروگرام میں شمولیت کے بعد نمایاں بہتری کی جانب گامزن ہیں۔ اقتصادی استحکام کی علامات واضح ہیں، جن میں امریکی ڈالر کے مقابلے میں روپے کی قدر میں استحکام، متوقع GDP کی 3 فیصد شرح نمو، کرنٹ اکاؤنٹ کی بہتری، مجموعی مہنگائی میں کمی، اور شرح سود میں کمی شامل ہیں۔

کمپنی نے مشکل معاشی حالات کے باوجود شاندار نتائج پیش کیے ہیں، جس کا سہرا مستحکم پورٹ فولیو، کم لاگت حصول، اور غیر پالیسی ہولڈرز کے ذخائر پر نمایاں طور پر زیادہ منافع کو جاتا ہے۔

دونوں گراس اور نیٹ پر بیمیم میں تقریباً 33 فیصد کا نمایاں اضافہ دیکھنے میں آیا۔ سرمایہ کاری سے ہونے والی آمدنی 48 فیصد بڑھ گئی، جس کی بڑی وجہ اسٹاک مارکیٹ میں تیزی اور بلند شرح سود پر مبنی سیکورٹیز سے حاصل ہونے والا منافع ہے۔ نتیجتاً، پالیسی ہولڈرز کو ادا کیے جانے والے فوائد اور ان کے لیے مختص کردہ ذخائر میں 42 فیصد اضافہ ہوا۔ کمپنی کا انڈر رائٹنگ مارجن 10.08 فیصد رہا، جو پچھلے سال 10.88 فیصد تھا، اس کی بنیادی وجہ زیادہ مقدار میں سنگل پر بیمیم پالیسیوں کی فروخت ہے۔ سال کے دوران ٹیکس سے قبل منافع میں 65 فیصد جبکہ ٹیکس کے بعد منافع میں 71 فیصد کا نمایاں اضافہ ہوا۔

اگرچہ بینکاسورٹس سیگمنٹ کے نئے کاروبار میں سیلز اور ڈاکو منٹیشن کے معیار کو مزید بہتر بنانے پر توجہ مرکوز کرتے ہوئے 6 فیصد کی کمی آئی ہے، لیکن یہ نوٹ کرنا بہت حوصلہ افزا ہے کہ اسی طرح کی ڈسٹری بوتھ لائن میں ہمارے بیشتر حریفوں کی طرف سے رجسٹرڈ منفی نمو کے باوجود ایجنسی کی تقسیم سے کاروبار میں 14 فیصد اضافہ ہوا ہے۔ کمپنی کے نئے ریگولر پر بیمیم کاروبار کی کل رقم 2.8 بلین روپے تھی۔

ہمیں یہ بتاتے ہوئے بھی خوشی محسوس ہو رہی ہے کہ گروپ لائف انشورنس کے شعبے میں 20 فیصد اضافہ دیکھنے میں آیا، جو اب 1.1 ارب روپے تک پہنچ چکا ہے۔

سب سے زیادہ 84 فیصد اضافہ سنگل پر بیمیم پالیسیوں کی فروخت میں دیکھا گیا، جس کا مجموعی پر بیمیم 17 ارب روپے تھا، تاہم ان پالیسیوں کی میٹورٹی کی مدت 2-3 سال تک محدود ہوتی ہے۔

تجدید شدہ پر بیمیم 10.12 ارب روپے رہا، جو پچھلے سال کے مقابلے میں 2 فیصد کم ہے، جس کی بنیادی وجوہات 2024 میں زیادہ میچور ہونے والی پالیسیاں اور معاشی دباؤ کے باعث زیادہ تعداد میں پالیسیاں سرینڈر ہونا ہیں۔ امید ہے کہ معاشی حالات کی بہتری کے ساتھ یہ رجحان تبدیل ہو جائے گا۔

ڈائریکٹرز کا جائزہ

آدمجی لائف انشورنس کمپنی لمیٹڈ کے ڈائریکٹرز کے لئے یہ امر انتہائی مسرت کا باعث ہے کہ ہم 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ مالی اسٹیٹمنٹس (AUDITED FINANCIAL STATEMENT) پیش کر رہے ہیں۔

مالیاتی امور کے نمایاں پہلو:

سال 2024 کے نمایاں پہلو ذیل درج ہیں:

31 دسمبر 2023	31 دسمبر 2024	
آڈٹ شدہ	آڈٹ شدہ	
ہزار روپے میں	ہزار روپے میں	
23,350,828	30,968,830	گراس پریمیم
22,685,659	30,284,691	نیٹ پریمیم
18,062,049	26,771,527	سرمایہ کاری سے آمدنی
34,893,773	49,642,838	پالیسی ہولڈرز کو ادا شدہ اور مختص شدہ فنڈز
4,312,733	4,877,141	حصول اور دیگر آپریٹنگ اخراجات
1,541,202	2,536,239	قبل از ٹیکس منافع
908,075	1,554,305	بعد از ٹیکس منافع
78,264,502	104,946,390	اسٹیپنڈی فنڈ
4,417,568	5,432,729	حصص داران کی ایکویٹی
روپے میں	روپے میں	
3.63	6.22	نی حصص آمدنی

Compliance with the Code of Corporate Governance

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

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

The Company, being an insurer, has applied the principles contained in the Code and the Regulations in the following manner:

1. The total number of directors were Eight, however one of our independent director Mr. Ahmad Alman Aslam has resigned from the Board w.e.f., December 30, 2024, currently total number of directors are as follow, -

- a. Male: Six
- b. Female: One

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

Name	Category
Mr. Shahmeer Khalid Butt	Independent Director
Mr. Umer Mansha	Non-Executive Director
Mrs. Naz Mansha	Non-Executive Director
Mr. Shaikh Muhammad Jawed	Non-Executive Director
Mr. Imran Maqbool	Non-Executive Director
Mr. Muhammad Ali Zeb	Non-Executive Director
Mr. Manzar Mushtaq	Chief Executive Officer

The independent directors meet the criteria of independence under the Code. One of our independent director resigned during the year, the casual vacancy shall be filled within stipulated time under the law.

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies including this company.
- 4. All the resident directors of the company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
- 5. One casual vacancy occurred during the year which shall be filled within stipulated time under the law.
- 6. The Company has prepared a Code of Conduct, which has been disseminated among all the directors and employees of the Company.
- 7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 8. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and the key officers, have been taken by the Board in accordance with the Companies Act and the Regulations.

9. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
10. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
11. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
12. During the year, an interim Company Secretary Mr. Asif Mirza was appointed by the board.
13. There was no change of Chief Financial Officer, Head of Internal Audit. The Board has approved the remuneration of CFO & Company Secretary and the Head of Internal Audit Department.
14. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and the Regulations and fully describes the salient matters required to be disclosed.
15. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
16. The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
17. The Company has complied with all the corporate and financial reporting requirements of the Code and the Regulations.
18. The Board has formed the following Management Committees under the Code:

Underwriting, Reinsurance & Co-insurance Committee

Name	Category
Mr. Umer Mansha	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial & Risk
Dr. Bakht Jamal	Member / Director Business Operations and Legal Affairs
Mr. Shams ul Zuha	Head of Reinsurance
Mr. Farrukh Kidwai	Secretary / Head of Underwriting

Claim Settlement Committee

Name	Category
Mr. S. M. Jawed	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer & DMD
Mr. Ali Haider	Member / Director Bancassurance, Corporate Sales and Business Strategy
Mr. Muhammad Danish	Head of Customer Services
Mr. Kashif Fareed Ahmed Khan	Secretary / Head of Policyholder Services

Risk Management & Compliance Committee

Name	Category
Mr. Muhammad Ali Zeb	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer & DMD
Mr. Amin Nizar Ali	Member / Head of Actuarial & Risk
Mr. Asif Mirza	Member & Secretary / Head of Compliance and Legal Affairs

19. The Board has formed the following Board Committees.

Ethics, Human Resource, Remuneration and Nominations Committee

Name	Category
Mr. Shahmeer Khalid Butt	Chairman / Independent Director
Mr. S. M. Jawed	Member / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Umer Mansha	Member / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Ms. Zehra Faiz	Secretary / Head of Human Resource

Investment Committee

Name	Category
Mr. S. M. Jawed	Chairman / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Imran Maqbool	Member / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer & DMD
Mr. Amin Nizar Ali	Member / Director of Actuarial Services & Risk Management
Mr. Muhammad Amir	Secretary / Sr. Manager Finance

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

Audit Committee

Name	Category
Mr. Shahmeer Khalid Butt	Chairman / Independent Director
Mr. S. M. Jawed	Member / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Samad Ali Naqvi	Secretary / Head of Internal Audit

21. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

22. The meetings of the Committees, except Ethics, Human Resource and Remuneration Committee, were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. Ethics, Human Resource and Remuneration Committee meeting was held twice during the year.

23. The Board has set up an effective internal audit department which comprises of suitably qualified and experienced staff for the purpose and are conversant with the policies and procedures of the Company and are involved in the internal audit function on a regular basis.
24. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Category	Name
Mr. Manzar Mushtaq	Chief Executive Officer
Mr. Jalal Meghani	Deputy Managing Director / Chief Financial Officer
Mr. Samad Ali Naqvi	Head of Internal Audit
Mr. Asif Mirza	Company Secretary / Head of Compliance and Legal Affairs
Mr. Amin Nizar Ali	Director Actuarial Services and Risk Management
Mr. Bakht Jamal	Director Business Operations and Legal Affairs
Mr. Farrukh Kidwai	Head of Underwriting
Mr. Kashif Fareed Ahmed Khan	Head of Claims
Mr. Muhammad Danish	Head of Customer Services
Mr. Shams ul Zuha	Head of Reinsurance

25. 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 insurer and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
26. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
27. The Appointed Actuary of the Company has confirmed that he or his spouse and minor children do not hold shares of the Company.
28. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code.
29. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
30. The Board ensures that the risk management system of the Company is in place as per the requirement of the Code.
31. The Company has set up a risk management function / department, which carries out its tasks as covered under the Code.
32. The Board ensures that as part of the risk management system, the Company gets rated from PACRA credit rating agency which is being used by its risk management function / department and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency on June 14, 2024 is A++ with stable outlook.

33. The Board has set up a grievance department/function, which fully complies with the requirements of the Code. There were instances where the resolution period for policyholders' complaints exceeded 30 days. These cases were reported to the SECP on a timely basis.
34. All directors are either already certified or exempt from the said requirement under Code.
35. The Company has not obtained any exemption from the Securities and Exchange Commission of Pakistan in respect of the requirements of the Code.
36. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 other than Regulation (xxiv) as referred below) have been complied.
37. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with.
38. Regulation 6: The Board of the Company comprises of seven (7) elected directors and CEO therefore one-third works out to be 2.66. Fraction arrived at while calculating the one-third of Independent Directors was not rounded up to one. The reason for such rounding down is because the Board honestly believes and understands that two (2) independent directors are sufficient to fulfill the roles and obligations of the independent director as per requirements of the applicable law and regulations. Moreover, the Company has two eminent and seasoned professionals who are acting in the capacity of independent directors, both of whom have the requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently. Therefore, the appointment of a third independent director is not considered.
39. The minutes for all board and management committees' meetings were duly recorded and circulated within the stipulated time frame.
40. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 is as follows:

S.no	Requirement	Code	Explanation	Reg no
1.	Grievance Function and Reporting All complaints / grievances received by the insurer, either in writing or through the call center, shall have to be resolved within a period of thirty (30) days. In case of non-resolution, such complaint / grievance shall be reported to the SECP, in writing, within a period of not later than ten (10) days from the expiry of the aforementioned 30 days.	COCG For Listed Companies, 2016	To align with regulatory requirements, we will revise our reporting practice to ensure that all unresolved complaints are reported to SECP within 10 days following the completion of the 30-day resolution period. This adjustment will be implemented immediately to enhance compliance and improve the grievance-handling process.	xxiv
2.	Environmental, Social and Governance (ESG) matters: The board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The board may establish a dedicated sustainability committee having at least one female director.	COCG For Listed Companies, 2019	Board provides governance and oversight in relation to Company's initiatives on Environmental, Social and Governance (ESG) matters.	10A (5)
3.	Disclosure of significant policies on website The company may post on its website key elements of its significant policies including but not limited to the following: (1) Communication and disclosure policy (2) Risk management policy (3) Internal control policy (4) Director's remuneration policy	COCG For Listed Companies, 2019	As the Regulation does not require mandatory disclosure of key elements of its significant policies on the website, the company has not made updates to the website.	35

Independent Auditor’s Review Report To the members of Adamjee Life Assurance Company Limited

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 And Code of Corporate Governance for Insurers 2016.

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance for Insurers 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Adamjee Life Assurance Company Limited (“the Company”) for the year ended 31 December 2024 in accordance with the requirements of regulation No. 36 of the Regulations.

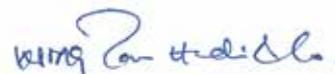
The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Regulations and report if it does not and to highlight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

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

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

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

Place: Karachi
Date: 27, March 2025
UDIN: CR202410096yYVn8Xkid


KPMG Taseer Hadi & Co.
Chartered Accountants

Governance Framework

Ownership/ shareholding structure

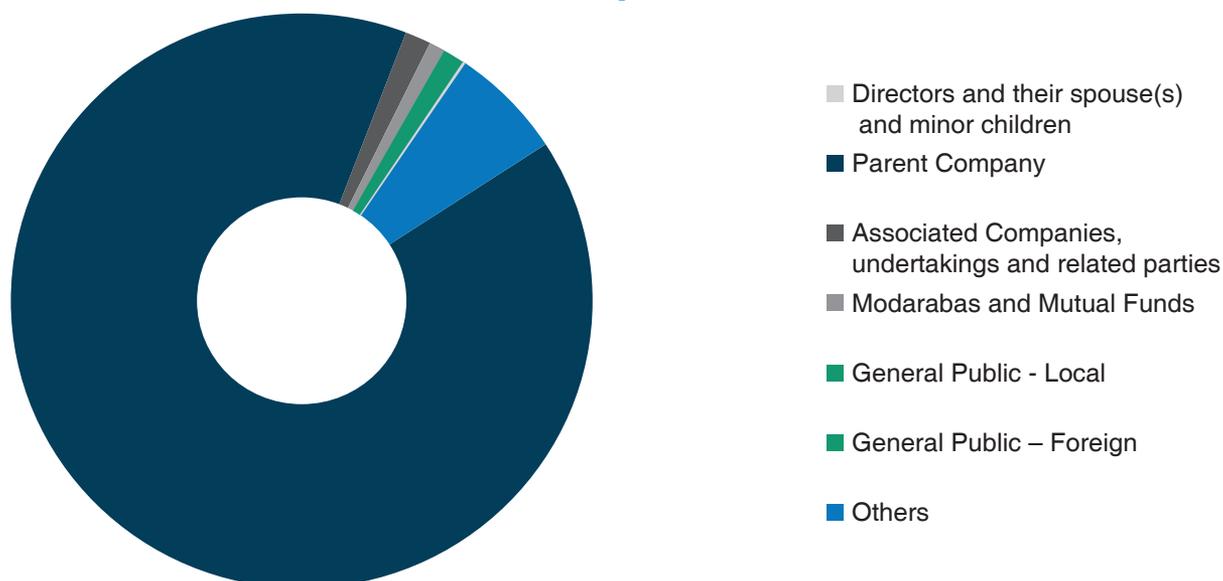


Ownership Structure

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children	7	1,750	0.0007
*Parent Company	1	224,998,250	90.00
Associated Companies, undertakings and related parties	1	3,613,975	1.44
Executives	-	-	-
NIT and ICP	-	-	-
Banks, Finance Institutions, NBFC	-	-	-
Insurance Companies	-	-	-
Modarabas and Mutual Funds	5	2,309,329	0.92
General Public - Local	683	2,815,576	1.32
General Public – Foreign	46	64,000	0.03
Others	18	16,197,120	6.48
Total	761	250,000,000	100.00

*The Company is a subsidiary of Adamjee Insurance Company Limited.

Ownership Structure



Formal Orientation Courses for the Directors

All the Directors of the Company are well experienced and have diverse backgrounds. At the time of induction of a new director, a comprehensive orientation session is being conducted covering various aspects such as Company's operations, applicable laws & regulations and their fiduciary duties and responsibilities towards the Company, etc.

Directors Training Program

All of the directors including Chief executive officer & Chief Financial Officer have already completed Director Training Program Certification from SECP approved institution or have availed the exemption.

Policy on related party transactions

The Related Party Transactions Policy has been adopted by the Board of Directors. It is company policy to carry out all related party transactions on an arm's length basis throughout regular business operations. On the proposal of the Audit Committee, the Board must give particular approvals or ratifications if a transaction is not carried out at arm's length in order to avoid any potential conflicts of interest.

According to the policy, every transaction, other than normal course of business, with a related party must have board approval and be recommended by the audit committee, which is chaired by an independent director.

Any director (including spouses and children) who is in any way, whether directly or indirectly, interested in any agreement entered into by or on behalf of the company or contemplated by it must disclose the nature of his interest at a board meeting. In his or her capacity as a director, no director shall participate in, or cast a vote on, any contract or agreement entered into or to be entered into by or on behalf of the Company if the director is in any way, whether directly or indirectly, concerned with, interested in, or otherwise connected with the contract or agreement. Additionally, the director's presence shall not be taken into account when determining whether a quorum is present for any such discussion.

Policy for Actual and Perceived Conflict of Interest

The Company is dedicated to openly disclosing, managing, and overseeing any current or potential conflicts of interest. The Board of the Company is also aware of its responsibilities under the Listed Companies (Code of Corporate Governance) Regulation, 2019 and the Code of Corporate Governance for Insurers, 2016, to make sure that Directors avoid conflicts of interest between their official duties and their other interests.

All Board members have a responsibility to stay clear of any conflicts of interest, real or perceived. Every director of the company who has a stake in any transaction the company is considering entering must inform the board of the nature of his interest or concern and must abstain from participating or voting on the discussion. The Directors of the Company must submit a signed Statement of Compliance each year in accordance with section 153 of the Companies Act, 2017, COCG, and Insurance Companies (Sound and Prudent Management) Regulations, 2012.

The declaration mandates that each Director declare the names of the companies, partnerships, and enterprises with which they are affiliated and attests to their compliance with all applicable laws.

Grievance Policy

According to Adamjee Life, a company's relationships with investors are essential to its financial health and rapid expansion. The organization's reputation is also reflected in its interactions with investors. Thus, it is essential to establish a system inside the company for serving investors and resolving their complaints in a way that complies with the law.

In accordance with this, the Company has made available on its website all pertinent information regarding the Company, its directors, auditors, share registrars, financial data for the current and previous six-year periods, and daily stock updates of the Company's shares quoted at the Karachi Stock Exchange.

The principal point of contact for investors seeking to address their complaints and find solutions on behalf of the Company is the Company Secretary. The management makes an effort to look into and satisfactorily address any investor concerns and inquiries. Using an interactive connection on our website, an investor who is unsatisfied may also contact the Securities & Exchange Commission of Pakistan (SECP) complaint cell.

Governance Framework



IT Governance Policy

According to Adamjee Life, information technology is a crucial component of overall corporate and IT governance. The business has positioned itself to make effective use of information technology resources to meet its operational and strategic goals while boosting shareholder value. IT governance lays a strong focus on offering effective and safe IT solutions that satisfy the needs of our policyholders in the most convenient and creative ways. The company upholds extremely high standards for cyber security.

The main objective of IT governance policy is to ensure that IT systems and processes align with the goals and objectives of the organization, and support the overall strategy of the organization.

Specifically, an IT governance policy aims to achieve the following objectives:

1. Align IT strategy with business strategy
2. Manage IT risks
3. Optimize IT investments
4. Ensure compliance with regulations and standards
5. Improve IT performance and efficiency
6. Ensure accountability and responsibility
7. Foster a culture of continuous improvement

Whistle Blowing Policy

Adamjee Life's whistle-blowing policy is a set of guidelines and procedures that an organization puts in place to encourage and protect employees who report misconduct or illegal activity within the organization. The policy outlines the steps an employee can take to make a report, the channels for reporting, and the protections and remedies available to whistleblowers.

The primary goal of a whistle-blowing policy is to promote ethical behavior and create a culture of transparency within the organization. By encouraging employees to speak up about wrongdoing, organizations can identify and address problems before they become major issues. Additionally, by protecting whistleblowers from retaliation, organizations can send a message that unethical behavior will not be tolerated and that the organization is committed to upholding high ethical standards.

Human Resource Management Policies including Preparation of Succession Plan

A complete set of policies has been put in place by Adamjee Life to address every facet of human resources. With a continual emphasis on learning and development interventions, the company has a motivated and engaged staff that will help it achieve its strategic goals and objectives. In order to provide our staff more power, the company has introduced state of the art Human Resource Management System.

Recognizing that changes in management are inevitable, Adamjee Life has established a succession plan to provide continuity in leadership and avoid extended and costly vacancies in Key position. Adamjee Life's succession plan is designed to identify and prepare candidates for High Level management positions that become vacant due to retirement, resignation or new business opportunity.

Health, Safety and Environment

Adamjee Life is committed to provide a safe environment for all of its employees. The Company makes all reasonable efforts to:

- Promote occupational and personal safety;
- Promote the health and safety of employees and contractors;
- Provide information to employees about health and safety hazards;
- Identify health and safety hazards and encourage employees to report potential hazards;
- Conduct activities in a manner that protects the environment and educate staff regarding environmental impacts associated with institutional operations;
- Maintain a risk based emergency management program to reduce the impact of emergency events at ALIFE.

Business Continuity Plan

Business continuity planning (BCP) is a process designed to reduce the organizations' business risk arising from an unexpected disruption of the critical all function/operations necessary for the survival of the organization. This can include short or long-term disasters or other disruptions, such as fires, floods, earthquakes, explosions, terrorism, extended power interruptions, hardware or software failure, hazardous chemical spills, and other natural or man-made disasters.

The Business Continuity Plan is limited in scope to recovery and business continuance from a serious disruption in activities due to the non-availability of Adamjee Life's facilities. The Business Continuity Plan includes procedures for all phases of recovery.

The objectives of the BCP plan is to:

1. Ensure the safety of employees and visitors in the office buildings.
2. Mitigate threats or limit the damage that threats can cause.
3. Have advanced preparations to ensure that critical business functions can continue.
4. Have documented plans and procedures to ensure the quick, effective execution of recovery strategies for critical business functions.
5. Include procedures for all phases of recovery as defined in the Business Continuity Strategy section of this document.
6. Establish teams who will manage the process of recovery and restoration of business after a disaster and those who will complete the specific activities necessary to continue critical business function.

Cyber Security Policy

In view of increased cybersecurity threats targeted at the financial sector and to comply with SECP'S Cyber Security guidelines, it is imperative that at Adamjee Life every IT resource, user, and owner adopt appropriate cybersecurity protections.

Cyber Security policy involves protecting critical information and devices from cyber threats; policy also describes how ALIFE critical data should be protected against vulnerable attacks that can threaten critical data/information, whether on the workstation, across various applications, networks, or devices.

It is essential to adopt a risk-based approach for cyber security implementation, Additionally, according to the minimum-security standards, adequate levels of protection for different risk categories can be defined for different risk categories.

Governance Framework



Anti Money Laundering / Combating Financing of Terrorism / Countering Proliferation Financing Policy

Adamjee Life ensures its commitment to the directives of Securities and Exchange Commission of Pakistan (SECP) and Government of Pakistan (GoP) to prevent money laundering and financing of terrorism in all its forms. Adamjee Life and its staff shall cooperate with the SECP and other regulatory authorities in all matters related to AML/CFT/CPF and the Company shall fully comply with instructions or inquiries from the SECP and other competent authorities in this regard.

Adamjee Life shall not allow its products, services or any of its resources to be utilized for the purposes of money laundering, terrorist financing and proliferation financing. The Company shall take all steps necessary for prevention of money laundering, terrorist financing and proliferation financing through its platform.

Insider Trading Policy

The purpose of this Insider Trading Policy is to ensure and promote effective compliance with the applicable securities laws and to adopt the highest standards of ethical and business conduct.

The Board of Directors of the Company have adopted this Policy both to satisfy the Company's obligation to prevent insider trading and to help its employees, executives, officers, directors, personnel and other insiders to avoid the consequences associated with violations of the insider trading laws as well as to provide guidelines to all insiders of the Company with respect to trading in the securities issued by the Company, as well as the securities of publicly traded companies with whom the Company has a business relationship or in which the Company has an interest in

The policy established and adopted by Adamjee Life to counter and combat Money Laundering activities conducted using Adamjee Life as a medium. The objective of this policy is to assist the users of this policy (Board of Directors of Adamjee Life, management, agents and all employees in general) understand what is money laundering / terrorist financing / proliferation financing, how it applies to Adamjee Life, the regulatory environment and the procedures in place to counter money laundering / terrorist financing / proliferation financing along with the impact of those procedures on the work processes. This policy is reviewed annually on account of amendments in regulatory framework.

Statement of Unreserved Compliance of International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board (IASB)

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Accounting Standards (IAS)/ International Financial Reporting Standard (IFRS) issued by International Accounting Standards Board (IASB). The Financial Statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan and in accordance with provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012.

Statement of Adherence with the International Integrated Reporting Framework (IIR)

The International Integrated Reporting Council's (IIRC's) rules for the International Integrated Reporting (IIR) framework were followed in the preparation of Adamjee Life's Annual Report for 2024. We constantly work to improve the transparency of the information presented to our stakeholders in order to build and maintain their trust, including that of employees, policyholders, suppliers, business partners, local communities, legislators, regulators, and policymakers. We always aim to achieve our goals through excellent corporate reporting.

In order to improve the quality of information and clearly express the financial and non-financial information that reflects the systemic and dynamic interactions of insurance business activities as a whole for its stakeholders, as well as represents the Company's performance and ability to create value over time, a principle-based integrated reporting framework is promoted. It further improves stewardship and accountability for the full range of capitals (financial, material, intellectual, human, social, and relationship, as well as natural), and it encourages awareness of their interdependencies.

The management firmly believes in adherence to the best corporate governance and reporting practices and ensures complying best reporting practices and generate greater value for the Company and the stakeholders as well.

Statement of Directors

As per the requirement of Section 46(6) and Section 52(2)(c) of the Insurance Ordinance 2000 for the year ended December 2024.

Section 46(6)

We certify and confirm that:

- a) In our opinion the annual statutory accounts of Adamjee Life Assurance Company Limited set out in the forms attached to the statement have been drawn up in accordance with the Insurance Ordinance, 2000 and the rules made there under;
- b) Adamjee Life Assurance Company Limited has at all times in the year complied with the provisions of the Insurance Ordinance, 2000 and the rules made there under relating to paid-up capital, solvency reinsurance arrangements as at December 31, 2024; and
- c) As at December 31, 2024, Adamjee Life Assurance Company Limited continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements.

Section 52(2)(c)

In our opinion each statutory fund of Adamjee Life Assurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017 (previously Insurance Rules, 2002).



S. Muhammad Jawed
Chairman



Muhammad Ali Zeb
Director



Shahmeer Khalid Butt
Director

Gender Pay Gap Statement under Circular 10 of 2024

Following is gender pay gap calculated for the year ended December 31, 2024

	Median	Mean
Management Staff		
Senior Management	10.6%	30.9%
Middle Management	10.1%	8.7%
Operational Staff	-7.6%	-1.1%
Banca		
Team Leaders	0%	5.5%
Sr./BSR	0%	0.7%
Direct Distribution Sales		
Higher Management	-	-
Middle Management	0%	20.6%
Lower Management	0%	-9.8%

On behalf of Adamjee Life Assurance Company Limited



 Manzar Mushtaq
 Chief Executive Officer

Date: February 25, 2025

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Financial Highlight





Financial Performance Analysis

Statement of Value Addition

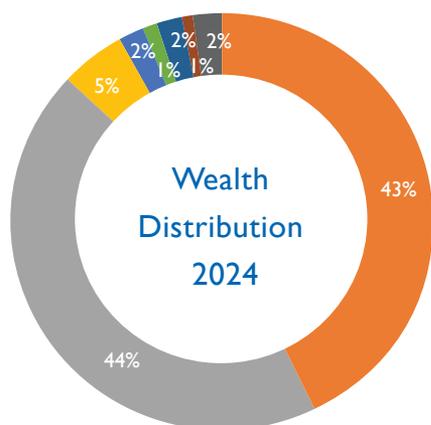
	2024		2023	
	Rupees in 000'	%	Rupees in 000'	%
WEALTH GENERATION				
Net Premium / Contribution	30,284,691	53.10%	22,685,659	55.66%
Net investment income	26,034,736	45.64%	17,186,733	42.17%
Other income	718,804	1.26%	883,519	2.17%
Total wealth generated	57,038,231	100.00%	40,755,911	100.00%

WEALTH DISTRIBUTION

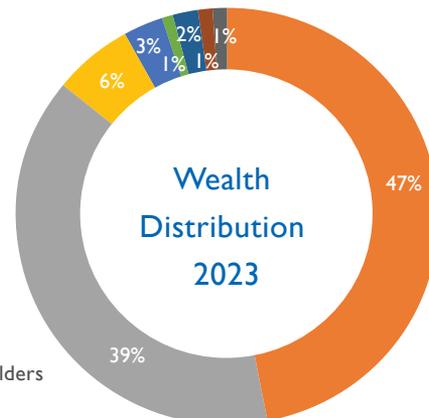
Net insurance benefits	24,350,007	42.69%	18,997,003	46.61%
Change in insurance liabilities	25,292,831	44.34%	15,896,770	39.00%
Commission expense	2,773,446	4.86%	2,514,706	6.17%
Employee benefit cost	1,392,111	2.44%	1,192,314	2.93%
Administrative expenses	744,400	1.31%	585,620	1.44%
Donations	1,631	0.00%	1,054	0.00%
Financial charges	11,737	0.02%	9,683	0.02%
Government taxes	956,907	1.68%	639,483	1.57%
Distribution paid / proposed to Shareholders	500,000	0.88%	500,000	1.23%
Retained in business	1,015,161	1.78%	419,278	1.03%
Total wealth distributed	57,038,231	100.00%	40,755,911	100.00%

WEALTH DISTRIBUTION

	31-Dec-24	31-Dec-23
Net insurance benefits	43%	47%
Change in insurance liabilities	44%	39%
Commission expense	5%	6%
Employee benefit cost	2%	3%
Administrative expenses	1%	1%
Government taxes	2%	2%
Distribution paid / proposed to Shareholders	1%	1%
Retained in business	2%	1%
Total wealth distributed	100%	100%



- Net insurance benefits
- Change in insurance liabilities
- Commission expense
- Employee benefit cost
- Administrative expenses
- Government taxes
- Distribution paid / proposed to Shareholders
- Retained in business



Six Year Financial Performance

Description	2024	2023	2022	2021	2020	2019
Rs. in Million.....					
BALANCE SHEET						
Paid up capital	2,500	2,500	2,500	2,500	935	935
Reserves	1,884	1,048	772	585	527	364
Equity (unappropriated profit)	1,049	870	476	164	28	20
Investments(Market Value)	105,751	78,608	60,771	49,678	38,547	31,078
Investment Property	1,155	1,065	944	939	855	876
Fixed Assets	924	319	367	370	402	564
Cash & Bank deposits	6,246	3,927	5,317	9,726	9,955	7,261
Other Assets	2,352	2,171	1,768	1,204	1,080	655
Total Assets	116,428	86,090	69,166	61,918	50,839	40,434
Total Liabilities	110,996	81,672	65,418	58,668	49,349	39,114
OPERATING DATA						
Gross Premium	30,969	23,351	20,949	20,658	17,101	12,969
Net Premium	30,285	22,686	20,315	20,128	16,537	12,386
Net Claims	(24,350)	(18,997)	(14,234)	(9,106)	(6,839)	(6,724)
Net Commission	(3,434)	(3,174)	(3,184)	(3,138)	(2,692)	(2,700)
Net Change In Insurance/Takaful Liabilities (Other Than Outstanding Claims)	(25,293)	(15,897)	(4,937)	(9,490)	(9,937)	(5,126)
Underwriting Results	3,980	2,680	1,694	1,522	1,354	1,346
Financial Charges	(12)	(10)	(18)	(24)	(26)	(8)
Total Expenses	(1,432)	(1,129)	(865)	(1,267)	(1,018)	(1,057)
Investment Income	26,772	18,062	3,734	3,128	4,285	3,510
Profit Before Tax	2,536	1,541	810	231	310	281
Profit After Tax	1,554	908	498	174	191	217
CASH FLOW SUMMARY						
Operating Activities	3,957	(566)	3,389	6,630	5,650	2,865
Investing Activities	(1,124)	(1,774)	(14,013)	(8,716)	(4,757)	(351)
Financing Activities	(589)	(250)	(90)	1,475	178	-
SHARE INFORMATION						
Break-up Value Per Share	21.73	17.67	14.99	13.00	15.93	14.10
No. of Shares	250,000,000	250,000,000	250,000,000	250,000,000	93,549,400	93,549,400
Share price at year end	30.26	24.96	19.49	-	-	-
Highest Share price during year	44.5	29.33	19.55	-	-	-
Lowest Share price during year	22.00	11.80	19.00	-	-	-
KSE 100 Index	115,127	62,451	40,420	44,596	43,755	40,735
Market price to Break up value	1.39	1.41	1.30	-	-	-
Face value	10	10	10	10	10	10
Market Capitalization - (Rupees in '000)	7,565,000	6,240,000	4,872,500	-	-	-
DISTRIBUTION						
Dividend per share (Rupees)	2	2	-	-	-	-
Total Dividend - (Rupees in '000)	500,000	500,000	-	-	-	-
Cash Dividend - (Rupees in '000)	500,000	500,000	-	-	-	-
Bonus Shares	-	-	-	-	-	-

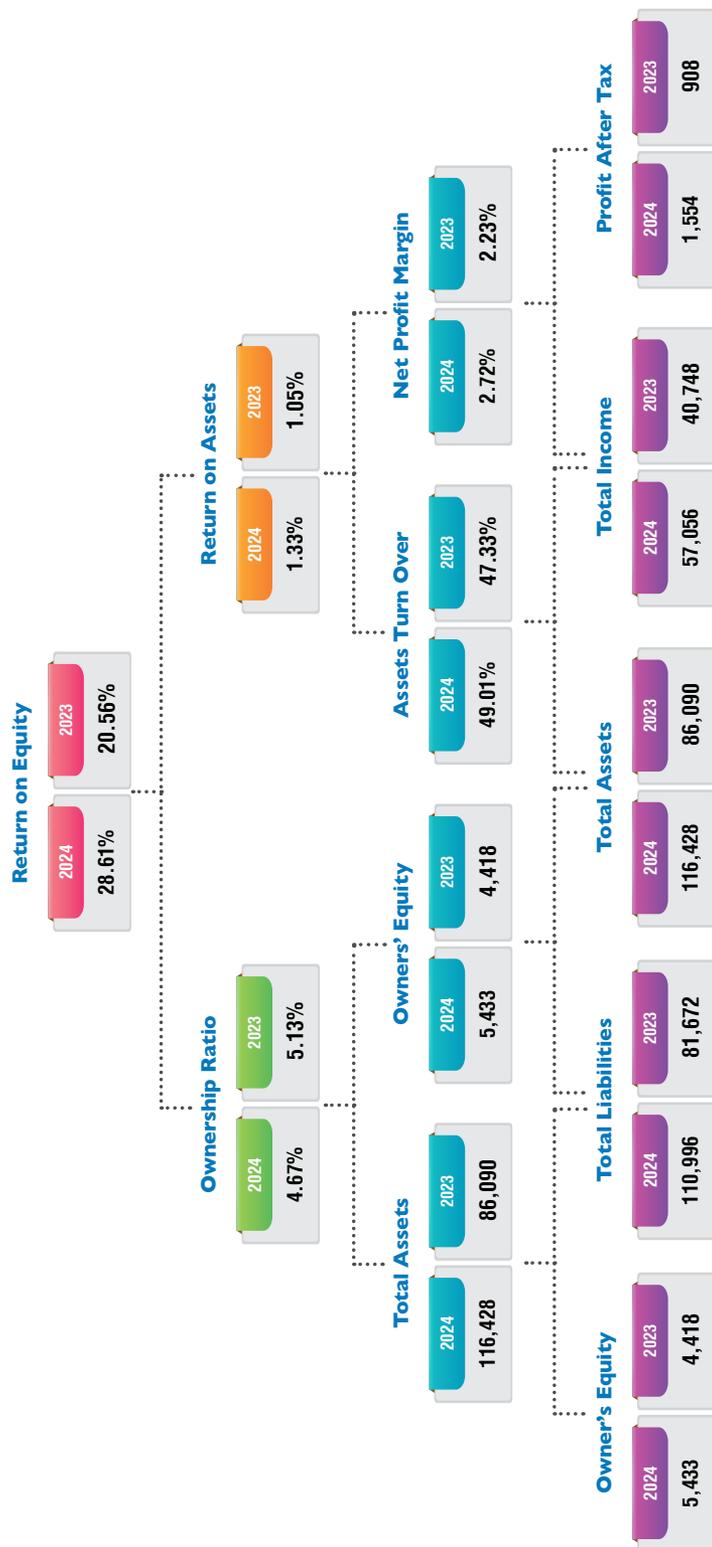
Capital Structure of the Company



As shown below, the Company is generating enough liquidity from its operations and the proportion of capital and reserves attributable to shareholders is on average 98% of total capital over the last six years.

	2024	2023	2022	2021	2020	2019
	Rupees in '000'					
Ordinary share capital	2,500,000	2,500,000	2,500,000	2,500,000	935,494	935,494
Money ceded to Waqf fund	500	500	500	500	500	500
(Deficit) / surplus on revaluation of available for sale investments	(10,972)	-	(5,496)	(4,743)	361	(3,562)
Ledger account D	1,894,641	1,047,316	776,870	589,705	525,915	367,174
Unappropriated profit	1,048,560	869,752	476,416	164,266	28,345	19,685
Capital and reserves attributable to the Company's equity holders	5,432,729	4,417,568	3,748,290	3,249,728	1,490,615	1,319,291
Long term borrowing	-	-	-	84,894	164,482	-
Company Capital Structure at the end of year	5,432,729	4,417,568	3,748,290	3,334,622	1,655,097	1,319,291
Capital and reserves attributable to the Company's equity holders	100.00%	100.00%	100.00%	97.45%	90.06%	100.00%

Dupont Analysis



	2024	2023
Profit Margin	PAT/Total Income	2%
Asset Turnover	Total income / Total Assets	47%
Equity Multiplier	Total Asset / SH Equity	1949%
Return on Equity	28.61%	20.56%

Six Years Financial Performance

Financial Ratio

		2024	2023	2022	2021	2020	2019
PROFITABILITY RATIOS							
Profit Before Tax / Gross Premium	%	8.2	6.6	3.9	1.1	1.8	2.2
Profit Before Tax / Net Premium	%	8.4	6.8	4.0	1.1	1.9	2.3
Profit After Tax / Gross Premium	%	5.0	3.9	2.4	0.8	1.1	1.7
Profit After Tax / Net Premium	%	5.1	4.0	2.4	0.9	1.2	1.8
Net Claims / Net Premium	%	80.4	83.7	70.1	45.2	41.4	54.3
Commission / Net premium	%	11.3	14.0	15.7	15.6	16.3	21.8
Administration Expenses / Gross premium	%	4.6	4.8	4.1	6.1	6.0	8.1
Administration Expenses / Net premium	%	4.7	5.0	4.3	6.3	6.2	8.5
Profit Before Tax / Total Income	%	4.4	3.8	3.4	1.0	1.5	1.8
Profit After Tax / Total Income	%	2.7	2.2	2.1	0.7	0.9	1.4
Net investment income / Net Premium	%	88.4	79.6	18.4	15.5	25.9	28.3
RETURN TO SHAREHOLDERS RATIOS							
Return on equity including retained balance in Ledger Account D (PAT/total equity)	%	28.61	20.56	13.28	5.35	12.81	16.46
Earnings per share (pre tax)	Rs.	10.14	6.16	3.24	0.92	3.32	3.01
Earnings per share (after tax)	Rs.	6.22	3.63	1.99	0.70	2.04	2.32
Return on Total Assets	%	1.33	1.05	0.72	0.28	0.38	0.54
Earnings Growth	%	71.16	82.45	186.36	(9.01)	(12.02)	487.08
Breakup Value Per Share Rupees	Rs.	21.73	17.67	14.99	13.00	15.93	14.10
Market price per share at the end of the year	Rs.	30.26	24.96	19.49	-	-	-
Cash dividend per share	Rs.	2.00	2.00	-	-	-	-
Cash dividend	%	20%	20%	-	-	-	-
Dividend yield	%	7%	8%	-	-	-	-
Dividend payout	%	32%	55%	-	-	-	-
Dividend cover - (Times)	Times	3.11	1.82	-	-	-	-
LIQUIDITY RATIOS							
Current Ratio	Times	0.69	0.77	0.95	1.04	1.28	0.96
Cash & bank / Current Liability	Times	0.38	0.32	0.58	0.64	0.91	0.74
Total Liabilities / Total Equity	Times	20.43	18.49	17.45	18.05	33.11	29.65
Paid up capital / Total Assets	%	2.15	2.90	3.61	4.04	1.84	2.31
Equity / Total Assets	%	4.67	5.13	5.42	5.25	2.93	3.26

Six Years Financial Performance Horizontal Analysis

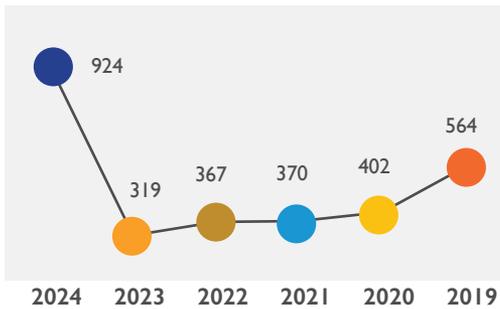
	2024	2023	2022	2021	2020	2019	2024	2023	2022	2021	2020	2019
	Rs in Million						%Increase /(decrease) over preceding years					
BALANCE SHEET												
Fixed Assets	924	319	367	370	402	564	190.0%	-13.1%	-0.9%	-7.9%	-28.8%	134.1%
Investment Property	1,155	1,065	944	939	855	876	8.4%	12.9%	0.5%	9.8%	-2.4%	2.5%
Investments	105,751	78,608	60,771	49,678	38,547	31,078	34.5%	29.4%	22.3%	28.9%	24.0%	8.0%
Current Assets-Others	2,352	2,171	1,768	1,204	1,080	655	8.3%	22.8%	46.9%	11.5%	65.0%	-9.2%
Cash and Bank Deposits	6,246	3,927	5,317	9,726	9,955	7,261	59.1%	-26.2%	-45.3%	-2.3%	37.1%	119.2%
Total Assets	116,428	86,090	69,166	61,918	50,839	40,434	35.2%	24.5%	11.7%	21.8%	25.7%	19.2%
Equity	5,433	4,418	3,748	3,250	1,491	1,319	23.0%	17.9%	15.3%	118.0%	13.0%	17.5%
Insurance liabilities	106,352	79,560	63,409	56,933	47,033	36,736	33.7%	25.5%	11.4%	21.0%	28.0%	15.7%
Long term Liabilities	628	32	101	177	326	308	1867.0%	-68.4%	-42.8%	-45.8%	5.9%	0.0%
Deferred taxation	1,218	657	377	232	207	96	85.3%	74.5%	62.7%	12.1%	115.1%	135.9%
Borrowings	-	-	-	89	178	-	0.0%	0.0%	-100.0%	-50.0%	0.0%	0.0%
Current Liabilities	1,600	420	606	484	514	477	280.9%	-30.6%	25.0%	-5.7%	7.7%	21.3%
Other creditors and accruals	1,197	1,003	926	753	1,091	1,498	19.4%	8.3%	22.9%	-31.0%	-27.2%	146.0%
Total Equity and Liabilities	116,428	86,090	69,166	61,918	50,839	40,434	35.2%	24.5%	11.7%	21.8%	25.7%	19.2%
PROFIT AND LOSS ACCOUNT												
Net Premium Revenue	30,285	22,686	20,315	20,128	16,537	12,386	33.5%	11.7%	0.9%	21.7%	33.5%	(2.6)%
Net Investment income	26,772	18,062	3,734	3,128	4,285	3,510	48.2%	383.7%	19.4%	(27.0)%	22.1%	858.1%
Net Claims	(24,350)	(18,997)	(14,234)	(9,106)	(6,839)	(6,724)	28.2%	33.5%	56.3%	33.2%	1.7%	6.5%
Net Change in insurance liabilities	(25,293)	(15,897)	(4,937)	(9,490)	(9,937)	(5,126)	59.1%	222%	(48.0)%	(4.5)%	93.9%	38.4%
Net Commission expense	(3,434)	(3,174)	(3,184)	(3,138)	(2,692)	(2,700)	8.2%	(0.3)%	1.5%	16.6%	(0.3)%	26.2%
Other/Marketing and administration expense	(1,432)	(1,129)	(865)	(1,267)	(1,018)	(1,057)	26.8%	30.5%	(31.7)%	24.4%	(3.6)%	24.9%
Financial charges	(12)	(10)	(18)	(24)	(26)	(8)	21.2%	(46.8)%	(24.1)%	(6.9)%	227.1%	100%
Profit Before Tax	2,536	1,541	810	231	310	281	64.6%	90.2%	250.5%	(25.5)%	10.3%	287.5%
Taxation	(982)	(633)	(313)	(57)	(119)	(64)	55.1%	102.5%	444.6%	(51.8)%	86.0%	288.9%
Profit after Tax	1,554	908	498	174	191	217	71.2%	82.5%	186.4%	(9.0)%	(12.0)%	287.1%

Graphical Representation

Horizontal Analysis



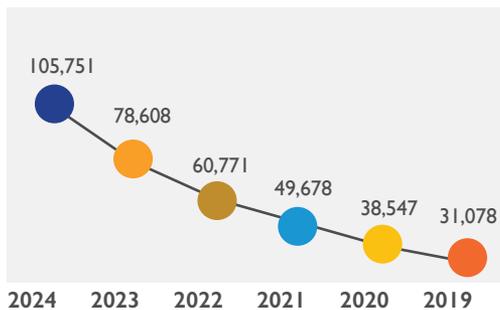
Fixed Assets



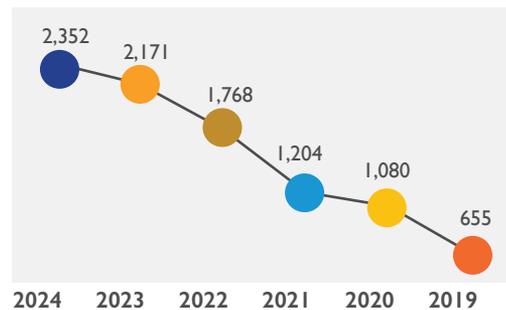
Investment Property



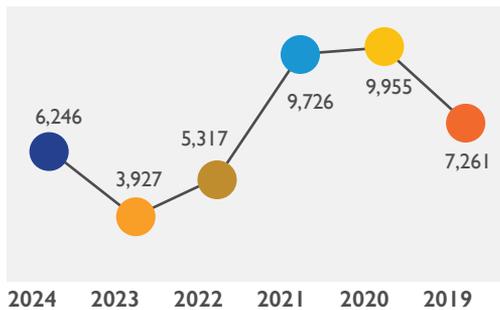
Investments



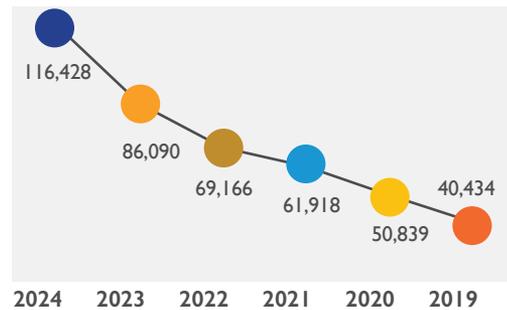
Current Assets Others

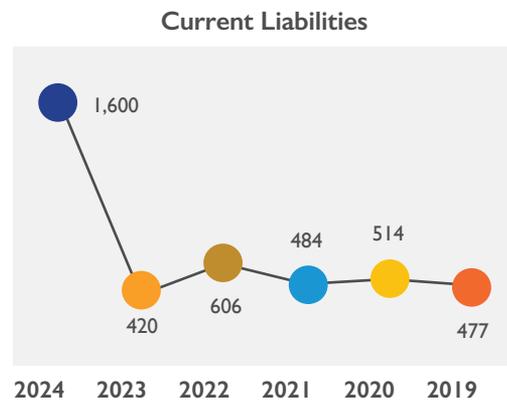
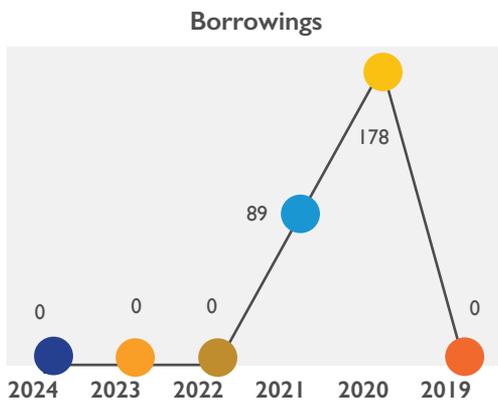
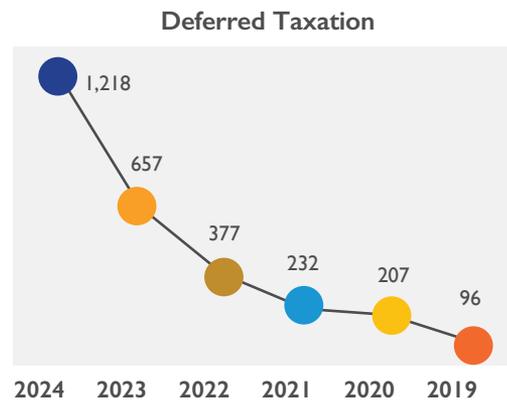
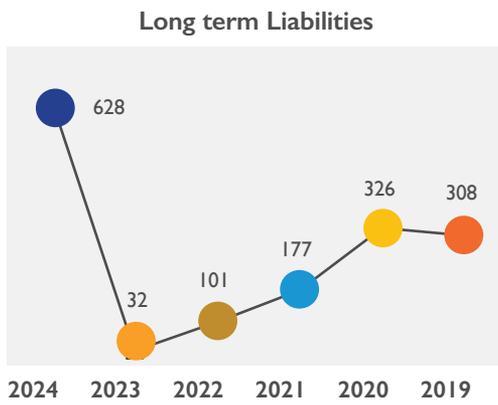
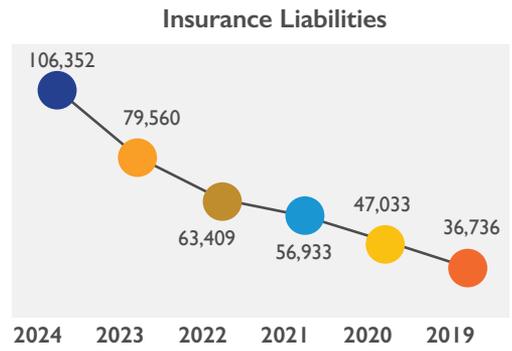
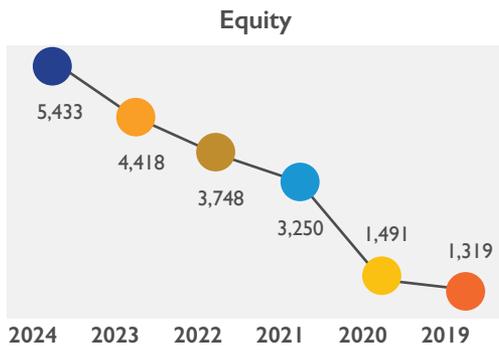


Cash and Bank Deposits



Total Assets



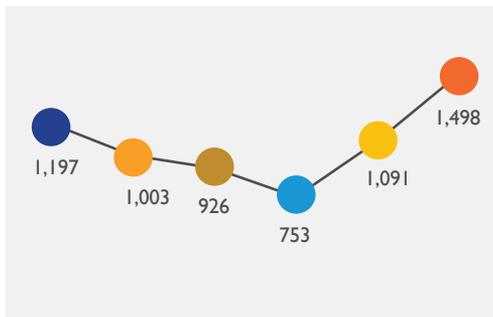


Graphical Representation

Horizontal Analysis

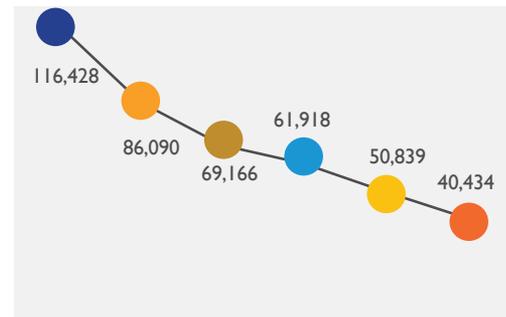


Other Creditors and Accruals



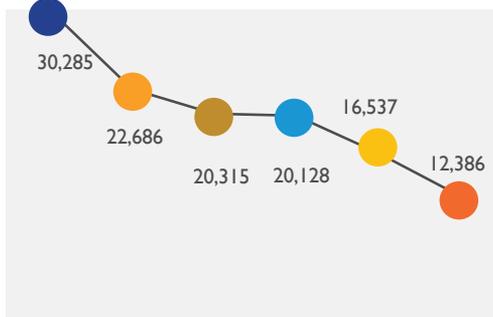
2024 2023 2022 2021 2020 2019

Total Equity and Liabilities



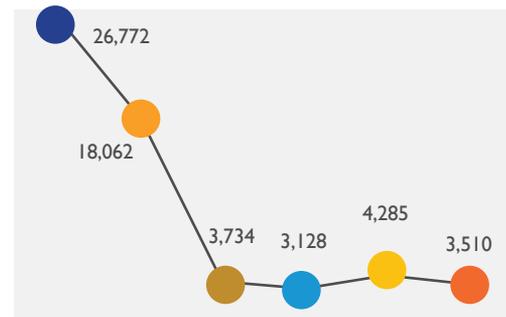
2024 2023 2022 2021 2020 2019

Net Premium Revenue



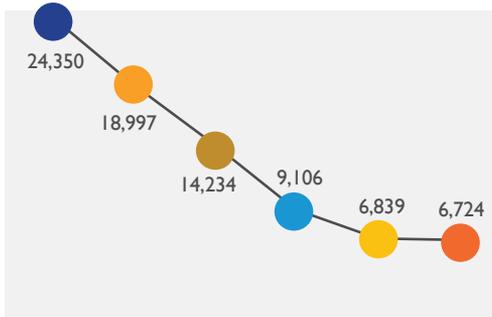
2024 2023 2022 2021 2020 2019

Net Investment Income



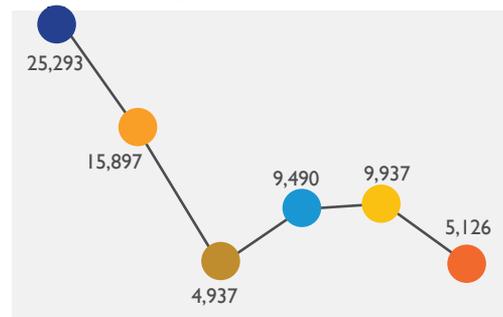
2024 2023 2022 2021 2020 2019

Net Claims

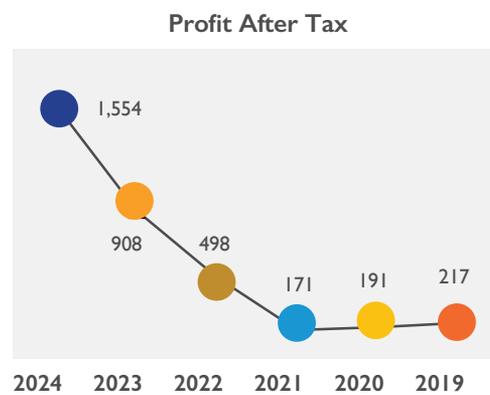
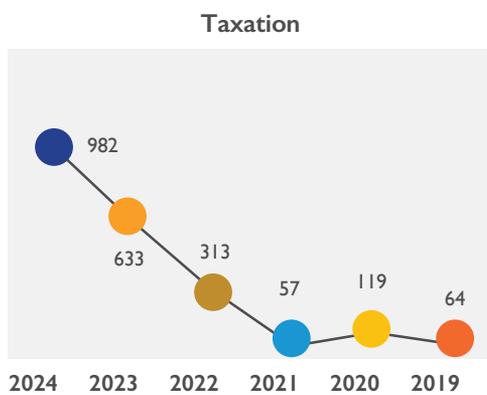
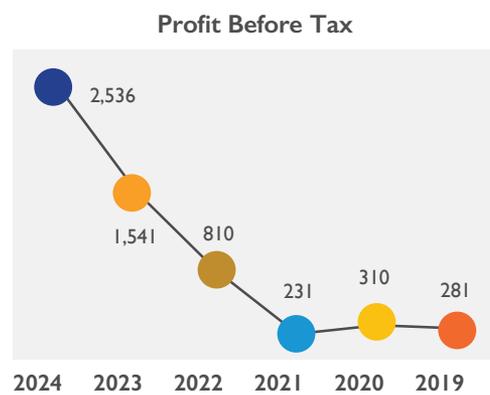
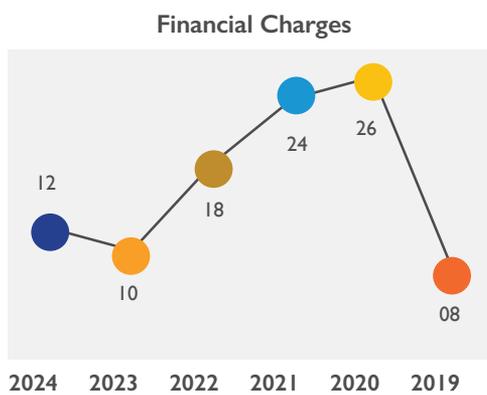
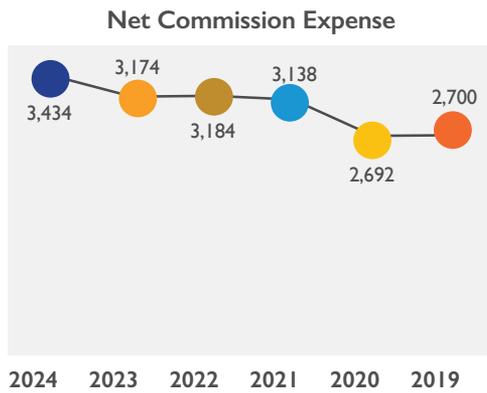


2024 2023 2022 2021 2020 2019

Net Change in Insurance Liabilities



2024 2023 2022 2021 2020 2019



Six Years Financial Performance Vertical Analysis



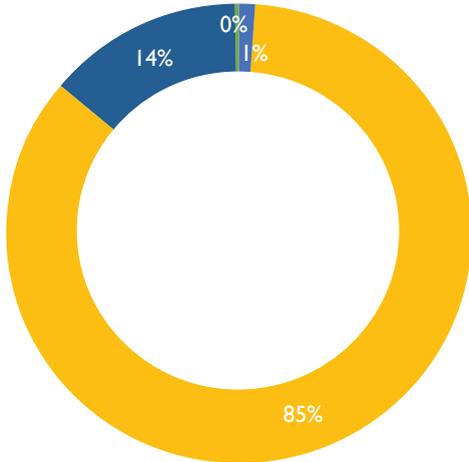
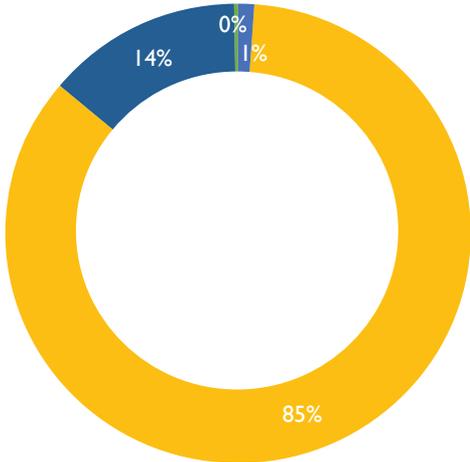
Rs in Million

	2024	%	2023	%	2022	%	2021	%	2020	%	2019	
BALANCE SHEET												
Fixed Assets	924	0.8	318.6	0.4	366.5	0.5	370.0	0.6	401.8	0.8	564.0	1.4
Investment Property	1,155	1.0	1,065.4	1.2	943.7	1.4	939.4	1.5	855.4	1.7	876.4	2.2
Investments	105,752	90.8	78,607.8	91.3	60,770.6	87.9	49,678.1	80.2	38,547.1	75.8	31,078.1	76.9
Current Assets-Others	2,352	2.0	2,171.3	2.5	1,768.3	2.6	1,203.9	1.9	1,080.1	2.1	654.6	1.6
Cash and Bank Deposits	6,246	5.4	3,926.6	4.6	5,317.0	7.7	9,726.1	15.7	9,955.1	19.6	7,260.6	18.0
Total Assets	116,428	100.0	86,090	100.0	69,166	100.0	61,918	100.0	50,839	100.0	40,434	100.0
Equity	5,433	4.7	4,418	5.1	3,748	5.4	3,250	5.2	1,491	2.9	1,319	3.3
Insurance liabilities	106,352	91.3	79,560	92.4	63,409	91.7	56,933	91.9	47,033	92.5	36,736	90.9
Long term Liabilities	733	0.6	103	0.1	164	0.2	230	0.4	384	0.8	398	1.0
Deferred taxation	1,218	1.0	657	0.8	377	0.5	232	0.4	207	0.4	96	0.2
Borrowings	-	-	-	-	-	-	89	0.1	178	0.4	-	-
Current Liabilities	1,495	1.3	348	0.4	542	0.8	431	0.7	456	0.9	386	1.0
Other creditors and accruals	1,197	1.0	1,003	1.2	926	1.3	753	1.2	1,091	2.1	1,498	3.7
Total Equity and Liabilities	116,428	100.0	86,090	100.0	69,166	100.0	61,918	100.0	50,839	100.0	40,434	100.0
PROFIT AND LOSS ACCOUNT												
Net Premium Revenue	30,285	100.00	22,686	100.00	20,315	100.00	20,128	100.00	16,537	100.00	12,386	100.00
Net Investment income	26,772	88.40	18,062	79.62	3,734	18.38	3,128	15.54	4,285	25.91	3,510	28.34
Net Claims	(24,350)	(80.40)	(18,997)	(83.74)	(14,234)	(70.07)	(9,106)	(45.24)	(6,839)	(41.35)	(6,724)	(54.29)
Net Change in insurance liabilities	(25,293)	(83.52)	(15,897)	(70.07)	(4,937)	(24.30)	(9,490)	(47.15)	(9,937)	(60.09)	(5,126)	(41.38)
Net Commission expense	(3,434)	(11.34)	(3,174)	(13.99)	(3,184)	(15.67)	(3,138)	(15.59)	(2,692)	(16.28)	(2,700)	(21.80)
Other/Marketing and administration expense	(1,432)	(4.73)	(1,129)	(4.98)	(865)	(4.26)	(1,267)	(6.29)	(1,018)	(6.16)	(1,057)	(8.53)
Financial charges	(12)	(0.04)	(10)	(0.04)	(18)	(0.09)	(24)	(0.12)	(26)	(0.16)	(8)	(0.06)
Profit Before Tax	2,536	8.37	1,541	6.79	810	3.99	231	1.15	310	1.88	281	2.27
Taxation	(982)	(3.24)	(633)	(2.79)	(313)	(1.54)	(119)	(0.59)	(64)	(0.39)	(16)	(0.13)
Profit after Tax	1,554	5.13%	908	4.00%	498	2.45%	112	0.56	246	1.49	265	2.14

Segment Net Premium



	Conventional Business	Accident and Health Business	Non-unitised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	Total
2023	309,402	2,522	55,833	18,439,000	3,791,638	87,264	22,685,659
2023	1.36%	0.01%	0.25%	81.28%	16.71%	0.38%	100.00%
2024	345,676	3,535	23,390	25,763,992	4,065,482	82,616	30,284,691
2024	1.14%	0.01%	0.08%	85.07%	13.42%	0.27%	100.00%



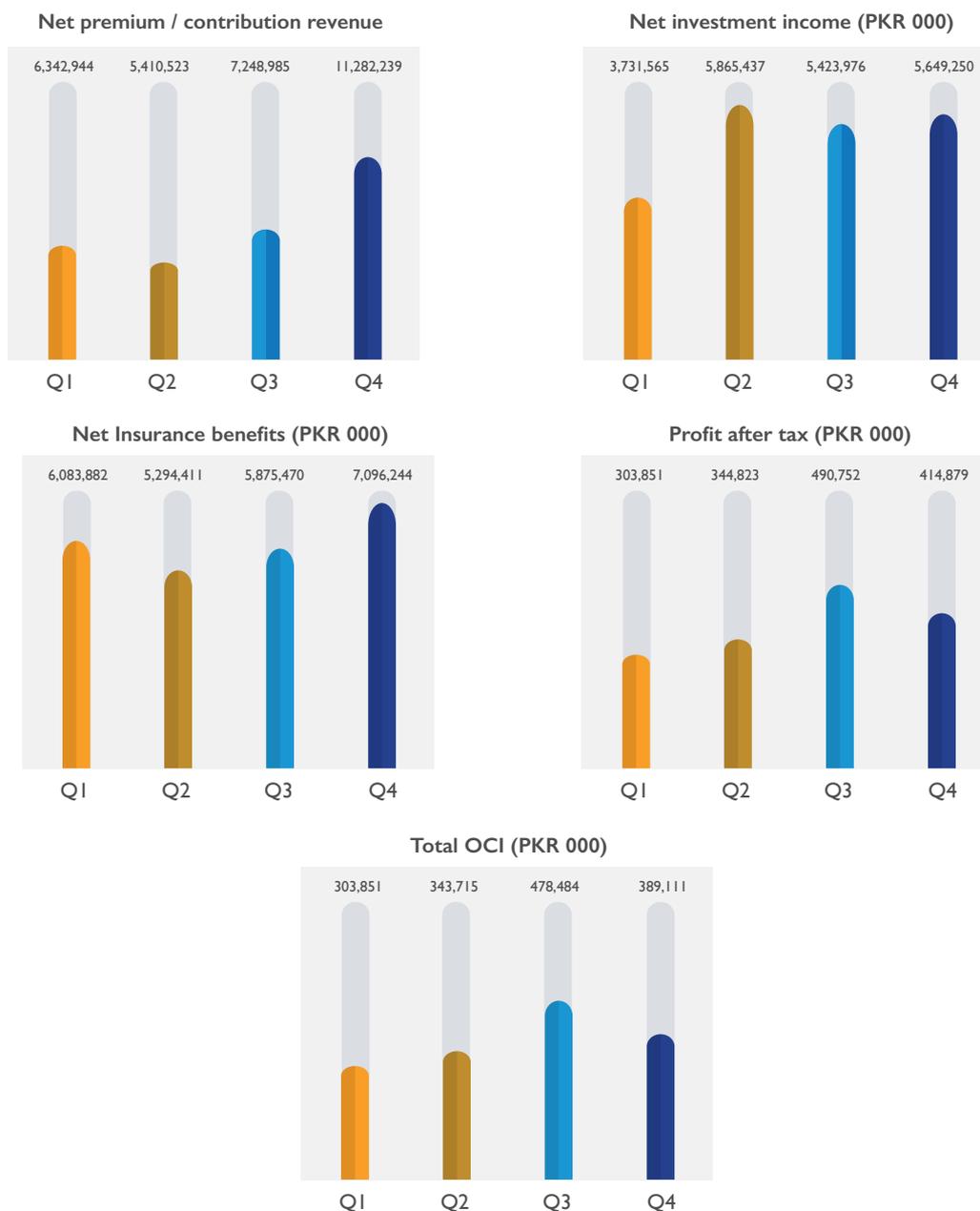
- Net insurance benefits
- Change in insurance liabilities
- Commission expense
- Employee benefit cost
- Administrative expenses
- Government taxes
- Distribution paid / proposed to Shareholders
- Retained in business

Quarterly Analysis 2024

2024

	Q1	Q2	Q3	Q4
Net premium / contribution revenue (PKR 000)	6,342,944	5,410,523	7,248,985	11,282,239
Net investment income (PKR 000)**	3,731,565	5,865,437	5,423,976	5,649,250
Net Insurance benefits (PKR 000)	6,083,882	5,294,411	5,875,470	7,096,244
Profit after tax (PKR 000)	303,851	344,823	490,752	414,879
Total OCI (PKR 000)	303,851	343,715	478,484	389,111

** it includes investment income and net fair value gains or losses on financial assets



Share Price Analysis

2024

	Date	High	Low	Volume
<p>Economic conditions Expectations for macro economic indicators (like inflation, forex reserves, interest rates, etc.) prevailing in the country impacts the share price.</p>	31-Jan-24	26.88	22.19	58,813
<p>Political Stability / Instability Political noise or stability in the country may impact foreign investors' outlook which ultimately impact the share price</p>	28-Feb-24	26.99	22.00	12,342
	31-Mar-24	29.33	24.50	14,158
	30-Apr-24	39.99	28.51	7,463
<p>Stock Market / Investor Sentiments Change in the Investor sentiment due to changes in investment climate in general or the stock market in particular can also impact the share price</p>	31-May-24	39.99	28.51	7,463
	30-Jun-24	44.50	33.15	9,057
	31-Jul-24	41.37	32.25	88,919
<p>Company Performance Announcements regarding Financial results or profit distribution by the Company and major innovation or development in business that may lead to future growth in earnings and dividends affect the shares price.</p>	31-Aug-24	39.88	31.22	17,647
	30-Sep-24	35.39	28.46	2,629
	31-Oct-24	38.84	29.62	45,817
<p>Changes in Government Policies & Laws Changes in laws or Government policies could be perceived as positive or negative for Insurance Companies. Policies such as Interest rate, Economic and tax reforms may also affect the share price.</p>	30-Nov-24	33.80	28.19	14,276
	31-Dec-24	34.99	28.09	70,843
<p>Company Financial Strength Press releases on the Financial Strength of Company by Independent bodies may also impact on share price.</p>				

Financial Statements





INDEPENDENT AUDITOR'S REPORT

To the members of Adamjee Life Assurance Company Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Adamjee Life Assurance Company Limited (the Company), which comprise the statement of financial position as at December 31, 2024, the statement of profit and loss, 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 purpose 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, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes, comprising material accounting policy information and other explanatory information 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, 2024 and of the profits, the 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.

Emphasis of Matter

We draw attention to note 25.1 to the annexed financial statements, which describes that the company along with other insurance companies had earlier challenged the scope and applicability of provincial sales tax on services on premium received from insurance business in provincial High Courts.

The Hon'ble Sindh High Court has dismissed the case with a direction to reapproach Sindh Revenue Board on the matter of taxability of life and health insurance business. However, the insurance companies have decided to refer the case to and file a constitutional petition in the Supreme Court of Pakistan.

The Company has not charged provincial sales tax to its clients, nor has recognized any liability for the impugned sales tax amounting to Rs. 1.34 billion as mentioned in note 25.1 to the financial statements as the management is confident that the final outcome will be in the favour of Company based on legal opinion.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

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

Following are the Key audit matters:

S.No.	Key audit matters	How the matters were addressed in our audit
1.	<p>Valuation and Classification of Investments</p> <p>Refer note 3.17 and 9, 10, 11, 12 and 13 of the annexed financial statements disclosing investment of Rs. 105.75 billion as at December 31, 2024, that constitute a significant component of total assets of the Company.</p> <p>The Company's investment portfolio comprises of government securities, debt securities, equity securities, mutual funds and term deposits.</p> <p>We identified the classification, valuation and impairment of investments as key audit matter because of the significance of investments and management's judgment involved in classification and impairment.</p>	<p>Our audit procedures amongst other procedures included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Company's process for valuation and classification of investments and evaluating the design and implementation of key controls over the process relating to valuation and classification of the investments; • Obtaining independent confirmations to verify the existence of the investment portfolio as at December 31, 2024 and reconciling the contents of the reply with the books and records of the Company. In that instance, where confirmations were not received, alternate audit procedures were performed. Comparing the external statements for security custodian (CDC/IPS) with the books and records of the Company to assess whether the number of scripts have been accurately recorded by the Company; • Performing recalculation by using the data and inputs used in the valuation to assess the accuracy of carrying value of investments at the reporting date; • Evaluating whether the impairment loss in respect of the available for sale securities has been appropriately recognized and is in compliance with applicable financial reporting standards; • Assessing the appropriateness of the accounting policy adopted by the Company for compliance with the requirements of applicable financial reporting framework; and • Assessing the appropriateness of disclosures made in the financial statements to ascertain whether these are complied with the accounting and reporting standards as applicable in Pakistan.

INDEPENDENT AUDITOR'S REPORT

S.No.	Key audit matters	How the matters were addressed in our audit
2.	<p>Valuation of Insurance / Takaful Liabilities:</p> <p>Refer note 3.4 and 19 of the annexed financial statements.</p> <p>The Company's insurance / takaful liabilities excluding outstanding claims amounting to Rs. 101.476 billion. Valuation of insurance / takaful contract liabilities involve significant judgment, actuarial assumptions such as; mortality, persistency, morbidity, investment returns, expense levels and inflation, and the use of methods adopted for actuarial valuations. Further, policyholder data is a key input into the valuation process. The valuation of Policyholder liabilities & IBNR claims is, therefore, conditional upon the accuracy and completeness of the data used.</p> <p>We identified the valuation of insurance / takaful liabilities as key audit matter because of the significant judgements and estimations involved in determining insurance / takaful liabilities excluding outstanding claims.</p>	<p>Our audit procedures amongst other procedures included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Company's process and evaluation of the design and implementation of key controls in recognition and valuation of insurance / takaful liabilities. • Assessing the appropriateness of the Company's accounting policy for recognition and measurement of insurance / takaful liabilities, in compliance with applicable accounting and reporting standards. • Assessing the consistency of the methods used for calculation of the IBNR claims and assumptions for the valuation parameters at December 31, 2024 to establish whether these had been subject to any arbitrary discontinuities from those used at December 31, 2023. • Performing procedures to evaluate the accuracy, completeness and reliability of the underlying data utilized for the purposes of measurement by reference to its source. • Inspecting the report submitted by the Appointed Actuary for the year ended December 31, 2024, to the Board of Directors of the Company in respect of the Insurance Liabilities and the related methods and assumptions used for this purpose. • Appointing an independent actuarial expert to assess the reasonableness of assumptions and methods used by the management's expert in the valuation of insurance liabilities. Our procedures also included evaluating the adequacy of the work performed by our independent appointed actuarial expert; and • Assessed the appropriateness of disclosures made in the financial statements to ascertain whether these are complied with the accounting and reporting standards.

S.No.	Key audit matters	How the matters were addressed in our audit
3.	<p>Premium / contribution</p> <p>Refer note 3.1 and 26 of the annexed financial statements relating to premiums / contributions.</p> <p>The Company generates its income primarily from premiums / contributions. Premiums / contributions from insurance policies amounts to Rs. 30.82 billion which comprise of 53.1% of the total income.</p> <p>We identified premiums / contributions as a key audit matter because it is a key performance indicator of the Company and possess a risk of overstatement by recording transactions that may not have occurred.</p>	<p>Our audit procedures amongst other procedures included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Company process for recognition of premium / contribution and evaluating the design and implementation of key controls involved in the process of capturing, processing and recording of premiums / contributions. • Comparing, using an appropriate sample premiums / contributions earned from the underlying policies issued to insurance / takaful policyholders to evaluate appropriateness of recognized premium / contribution during the year. • Assessing the appropriateness of the Company's accounting policy for recognition of premium / contribution, in compliance with applicable accounting and reporting standards. • Assessing whether premium / contribution was recognized in an appropriate accounting period by carrying out a comparison, using an appropriate sample, of recognized premium with the relevant period in the corresponding insurance policies. • Using an appropriate sample, tested premium receipts to evaluate whether the premium amounts have been received from the policyholders before the recognition of premiums / contributions (other than group life and health insurance / takaful) as required under Insurance Ordinance, 2000.

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

Management is responsible for the other information. The other information comprises of chairman's Review, Directors' Report and Key Operating and Financial Data, Horizontal Analysis, Vertical Analysis and statement of value Addition and its Distribution included in the annual report but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss and other 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 Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) the apportionment of assets, liabilities, revenue and expenses between two or more funds have been performed in accordance with the advice of the appointed actuary; and
- e) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements of the Company for the year ended 31 December, 2023 were audited by another firm of chartered accountants who had expressed an unmodified opinion thereon dated April 01, 2024.

The engagement partner on the audit resulting in this independent Auditor's report is Amyn Malik.

Place: Karachi
Date: March 27, 2025

UDIN: AR202410096sUjpTcZJN



KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Financial Position

As at December 31, 2024

	Note	2024	2023
----- (Rupees in '000) -----			
Assets			
Property and equipment	5	235,496	220,156
Intangible assets	6	21,830	25,906
Right of use assets	7	666,460	72,502
Investment property	8	1,154,800	1,065,394
Investments			
Equity securities	9	15,207,952	8,556,762
Government securities	10	79,582,456	61,365,683
Debt securities	11	3,539,281	3,629,033
Term deposits	12	-	75,000
Open-ended mutual funds	13	7,421,764	4,981,341
Loan secured against life insurance policies		8,389	35,975
Insurance / takaful / reinsurance / retakaful receivables	14	61,437	94,143
Loans, advances and other receivables	15	1,668,201	1,379,058
Taxation - payments less provision		561,426	606,950
Prepayments	16	52,847	55,169
Cash and bank	17	6,245,914	3,926,596
Total Assets		116,428,253	86,089,668
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	18	2,500,000	2,500,000
Money ceded to Waqf fund		500	500
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)		1,894,641	1,047,316
Revenue reserves			
Deficit on revaluation of available for sale investments		(10,972)	-
Unappropriated profit		1,048,560	869,752
Total Equity		5,432,729	4,417,568
Liabilities			
Insurance / takaful liabilities	19	106,352,404	79,559,988
Retirement benefit obligations	20.2	72,124	(11,791)
Deferred taxation	21	1,217,817	657,296
Lease liabilities	22	660,903	103,455
Premium / contribution received in advance		1,347,412	246,282
Insurance / takaful / reinsurance / retakaful payables	23	147,557	102,148
Unclaimed dividends		104	39
Other creditors and accruals	24	1,197,203	1,002,892
Total Liabilities		110,995,524	81,672,100
Total Equity and Liabilities		116,428,253	86,089,668

Contingencies and commitments

25

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



S. Muhammad Jawed
Chairman



Muhammad Ali Zeb
Director



Shahmeer Khalid Butt
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Statement of Profit or Loss

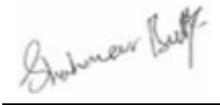
For the year ended December 31, 2024

	2024	2023
Note	----- (Rupees in '000) -----	
Premium / contribution revenue	30,968,830	23,350,828
Premium / contribution ceded to reinsurers / (retakaful operators)	(684,139)	(665,169)
Net premium / contribution revenue	30,284,691	22,685,659
Investment income	15,026,544	11,854,800
Net realised fair value gains / (losses) on financial assets	5,290,276	1,975,557
Net fair value gains / (losses) on financial assets at fair value through profit or loss - unrealised	5,643,684	3,223,460
Net rental income	2,813	2,988
Net unrealised fair value gain on investment property	89,406	121,725
Other income	718,804	883,519
	26,771,527	18,062,049
Net Income	57,056,218	40,747,708
Insurance / takaful benefits	(24,755,820)	(19,435,671)
Recoveries from reinsurers / retakaful operators	410,973	446,254
Claims related expenses	(5,160)	(7,586)
Net insurance / takaful benefits	(24,350,007)	(18,997,003)
Net change in insurance / takaful liabilities (other than outstanding claims)	(25,292,831)	(15,896,770)
Acquisition expenses	(3,433,788)	(3,174,136)
Marketing and administration expenses	(1,347,363)	(1,117,166)
Other expenses	(84,253)	(11,748)
Total expenses	(30,158,235)	(20,199,820)
Finance costs	(11,737)	(9,683)
Results from operating activities	2,536,239	1,541,202
Income tax expense	(981,934)	(633,127)
Profit after tax for the year	1,554,305	908,075
Earnings (after tax) per share - Rupees	6.22	3.63

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


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid Butt
Director


Manzoor Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer

Statement of Comprehensive Income

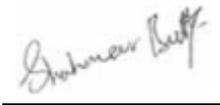
For the year ended December 31, 2024

	2024	2023
Note	----- (Rupees in '000) -----	
Profit after tax for the year - as per statement of profit or loss	1,554,305	908,075
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Actuarial (loss) / gain on retirement benefit scheme	(46,184)	9,356
Related deferred tax	18,012	(3,649)
	(28,172)	5,707
Items that are or may be reclassified subsequently to profit or loss		
Change in unrealised loss on revaluation of available for sale investments	(17,987)	-
Gain on disposal transferred to statement of profit or loss	-	8,203
Related deferred tax	7,015	(2,707)
	(10,972)	5,496
Other comprehensive (loss) / income for the year	(39,144)	11,203
Total comprehensive income for the year	1,515,161	919,278

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


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid Butt
Director


Manzoor Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer

Statement of Changes in Equity

For the year ended December 31, 2024

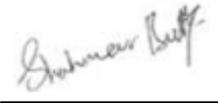
	Attributable to equity holders' of the Company					Total
	Share capital	Money ceded to Waqf fund	Deficit on revaluation of available for sale investments	Unappropriated profit	Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)*	
----- Revenue reserves ----- ----- (Rupees in '000) -----						
Balance as at January 01, 2023	2,500,000	500	(5,496)	476,416	776,870	3,748,290
Total comprehensive income for the year ended December 31, 2023						
- Profit for the year after tax	-	-	-	908,075	-	908,075
- Other comprehensive income - net of tax	-	-	5,496	5,707	-	11,203
	-	-	5,496	913,782	-	919,278
Transaction with owners recorded directly in the equity						
Contributions and distributions						
Interim dividend at the rate of Rs. 1 per share i.e 10%	-	-	-	(250,000)	-	(250,000)
Surplus for the year retained in statutory funds	-	-	-	(270,446)	270,446	-
Balance as at December 31, 2023	<u>2,500,000</u>	<u>500</u>	<u>-</u>	<u>869,752</u>	<u>1,047,316</u>	<u>4,417,568</u>
Total comprehensive income for the year ended December 31, 2024						
- Profit for the year after tax	-	-	-	1,554,305	-	1,554,305
- Other comprehensive loss - net of tax	-	-	(10,972)	(28,172)	-	(39,144)
	-	-	(10,972)	1,526,133	-	1,515,161
Transaction with owners recorded directly in the equity						
Contributions and distributions						
Final dividend at the rate of Rs. 1 per share i.e 10%	-	-	-	(250,000)	-	(250,000)
Interim dividend at the rate of Rs. 1 per share i.e 10%	-	-	-	(250,000)	-	(250,000)
Surplus for the year retained in statutory funds	-	-	-	(847,325)	847,325	-
Balance as at December 31, 2024	<u>2,500,000</u>	<u>500</u>	<u>(10,972)</u>	<u>1,048,560</u>	<u>1,894,641</u>	<u>5,432,729</u>

* This includes balances maintained in accordance with the requirements of Section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 to meet solvency margins, which are mandatorily maintained for carrying on of the life insurance business. This also includes the earnings before tax of Operator - Sub Funds (OSF) amounting to Rs. 422.48 million (2023: Rs. 251.84 million).

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


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid Butt
Director


Manzoor Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer

Statement of Cash Flows

For the year ended December 31, 2024

	2024	2023
Note	----- (Rupees in '000) -----	
Operating Cash Flows		
(a) Underwriting activities		
Insurance premium / contribution received	32,064,863	23,224,261
Reinsurance premium / retakaful contribution paid	(189,954)	(317,853)
Claims paid	(23,261,395)	(19,188,700)
Commission paid	(1,891,532)	(1,993,148)
Marketing and administrative expenses paid	(2,413,896)	(2,071,224)
Net cash flow generated from / (used in) from underwriting activities	4,308,086	(346,664)
(b) Other operating activities		
Income tax paid	(350,862)	(122,075)
Total cash flow generated / (used in) from operating activities	3,957,224	(468,739)
Investment activities		
Profit / return received	14,074,945	10,963,573
Dividend received	1,278,643	990,335
Rental received	2,813	2,988
Payment for investments	(281,721,109)	(488,346,588)
Proceeds from investments	265,319,184	474,694,356
Fixed capital expenditure	(113,553)	(102,417)
Loan to policyholders	28,634	11,050
Proceeds from sale of property and equipment	6,104	12,443
Total cash flow used in investing activities	(1,124,338)	(1,774,260)
Financing activities		
Finance cost paid	(23,012)	(17,931)
Payments against lease liabilities	(65,621)	(79,510)
Dividend paid	(499,935)	(249,961)
Total cash flow used in financing activities	(588,568)	(347,402)
Net cash inflows / (outflows) from all activities	2,244,318	(2,590,401)
Cash and cash equivalent at the beginning of the year	4,001,596	6,591,997
Cash and cash equivalent at the end of the year	6,245,914	4,001,596
	17.2	
Reconciliation to statement of profit or loss		
Cash flow from all operating activities	3,957,225	(468,739)
Depreciation and amortisation expense	(161,007)	(138,325)
Financial charge expense	(23,012)	(17,931)
Provision for doubtful debts	-	(2,660)
Write offs of fixed assets	(6,121)	(5,503)
(Loss) / profit on disposal of property and equipment	(692)	1,407
Profit on disposal of investment	5,290,276	1,975,557
Rental income	2,813	2,988
Dividend income	1,270,185	916,496
Other investment income	14,565,261	11,951,497
Decrease in assets other than cash	(6,711)	(231,839)
Increase in liabilities other than borrowings	(28,977,595)	(16,298,333)
Surplus on revaluation of investment	5,643,684	3,223,460
Profit after taxation	1,554,305	908,075

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



S. Muhammad Jawed
Chairman



Muhammad Ali Zeb
Director



Shahmeer Khalid Butt
Director



Manzoor Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Adamjee Life Assurance Company Limited ("the Company") was incorporated in Pakistan on August 04, 2008 as a public unlisted company under the Companies Act, 2017 (Previously Companies Ordinance, 1984). The Company was converted into a public limited company on March 4, 2022 and registered itself on Pakistan Stock Exchange. The Company started its operations on April 24, 2009. Registered office of the Company is at 5th floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is at Adamjee House, 3rd and 4th Floor, I.I Chundrigar Road, Karachi. The Company is a subsidiary of Adamjee Insurance Company Limited.

The Company is engaged in life insurance business carrying on non-participating business only. In accordance with the requirements of the Insurance Ordinance, 2000, the Company has established a shareholders' fund and the following statutory funds in respect of each class of its life insurance business:

- Conventional Business
- Accident and Health Business
- Individual Life Non-unitised Investment Linked Business
- Individual Life Unit Linked Business
- Individual Family Takaful Business (refer note 1.2)
- Group Family Takaful Business (refer note 1.2)

1.2 The Company was granted authorisation on May 04, 2016 under Rule 6 of Takaful Rules, 2012 to undertake Takaful Window Operations in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations from July 14, 2016. The Company formed a Waqf Fund namely the Adamjee Life Assurance Company Limited - Window Takaful Operations Waqf Fund (here-in-after referred to as the Participant Takaful Fund (PTF) on December 22, 2015 under a Waqf Deed executed by the Company with the cede amount of Rs. 500,000. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilised only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Company and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Company.

The Company issued supplemental policies to the Window Takaful Operations Waqf Fund on October 29, 2019 to include Group Family Participant's Takaful Fund business in existing Window Takaful Operations Waqf Fund and the same was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 11, 2019 and the Company commenced its Group Family Takaful Business in the second quarter of 2020.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

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For the year ended December 31, 2024

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

In case the requirements differ, provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for valuation of certain investments and investment property at their market value, retirement benefits obligation and insurance liabilities.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupee, which is the Company's functional and presentation currency. Amounts presented have been rounded off to the nearest thousand unless otherwise stated.

2.4 Standards, interpretations and amendments to published accounting and reporting standards that are effective during the year

2.4.1 There are certain new standards, amendments and interpretations that are applicable for accounting periods beginning on or after 1 January 2024, that are considered not to have a material impact on the Company's financial statements and hence have not been detailed here.

Effective date	New standards or amendments
1 January 2024	Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020)
	Non-current liabilities with covenants (Amendment to IAS 1 in October 2022)
	Lease liability in a sale and leaseback (Amendment to IFRS 16 in September 2022)
	Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)

2.4.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS28) amend accounting treatment on loss of control of

business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

- Lack of exchangeability (Amendments to IAS 21) clarify:
- when a currency is exchangeable into another currency; and
- how a Company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. The disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the Company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning or after 1 January 2025. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures:
- Financial Assets with ESG-linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial asset with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, company may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs - e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

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For the year ended December 31, 2024

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / Derecognition requirements of financial assets / liabilities by electronic payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

- Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Annual Improvements to IFRS Accounting Standards – Amendments to:
- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;

- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

The amendments to IFRS 9 address:

a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables: Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS15; and

- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

2.5 Temporary Exemption from IFRS 17 and IFRS 9

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I)/2023 dated 21 November 2023 IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance/takaful and re-insurance/re-takafu business from financial years commencing on or after 01 January 2026.

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 standards 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 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.

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SECP through its S.R.O.506(l)/2024 has directed that the applicability period of optional temporary exemption from applying IFRS 9 – Financial Instrument as given in para 20A of IFRS 4 – Insurance Contracts is extended for annual periods beginning before January 1, 2026, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

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. The first three phases now stand completed and Phase 4 parallel run and implementation has commenced and is currently under progress.

In Phase 4 SECP requires parallel run of IFRS 17 for the year ended 31 December 2024 to be submitted to SECP by 30 June 2025 and dry run on the financial statement of the first quarter of 2025 to be submitted by 30 November 2025

2.6 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 payments of principal and interest (“SPPI”) on the principal amount outstanding, excluding any financial asset that meets the definition of held for trading in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis, and

b) all other financial assets

	As at December 31, 2024			
	Fail the SPPI test		Pass the SPPI test	
	Fair value	Change in unrealised gain during the year	Fair value	Change in unrealised (loss) / gain during the year
----- (Rupees in '000) -----				
Financial assets				
Cash at bank	-	-	6,233,688	-
Equity securities	15,207,952	2,609,797	-	-
Government securities	79,582,456	1,499,116	-	-
Debt securities	3,539,281	12,833	-	-
Term deposits	-	-	-	-
Mutual funds	7,421,764	1,654,603	-	-
Loan secured against life insurance policies	-	-	8,389	-
Loan to employees	-	-	22,875	-
	105,751,453	5,776,349	6,264,952	-

	As at December 31, 2024											Total
	Gross carrying amount of financial Assets that pass the SPPI test (Rupees in '000)											
	AAA	AA+	AA	AA-	A+	A	A-	A-1	A-1+	B3	Unrated	
Loan secured against life insurance policies	-	-	-	-	-	-	-	-	-	-	8,389	8,389
Term deposits	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	8,389	8,389

As at December 31, 2023

Fail the SPPI test		Pass the SPPI test	
Fair value	Change in unrealised gain / (loss) during the year	Fair value	Change in unrealised loss during the year

(Rupees in '000)

Financial assets				
Cash at bank	3,916,793	-	-	-
Equity securities	8,556,762	1,644,201	-	-
Government securities	61,365,683	(127,107)	-	-
Debt securities	3,629,033	(44,111)	-	-
Term deposits	-	-	75,000	-
Mutual funds	4,981,341	1,852,193	-	-
Loan secured against life insurance policies	-	-	35,975	-
Loan to employees	23,551	-	-	-
	<u>82,473,163</u>	<u>3,325,176</u>	<u>110,975</u>	<u>-</u>

As at December 31, 2023

Gross carrying amount of financial Assets that pass the SPPI test (Rupees in '000)

	AAA	AA+	AA	AA-	A+	A	A-	A-1	A-1+	B3	Unrated	Total
Loan secured against life insurance policies	-	-	-	-	-	-	-	-	-	-	35,975	35,975
Term deposits	-	-	-	75,000	-	-	-	-	-	-	-	75,000
	-	-	-	<u>75,000</u>	-	-	-	-	-	-	<u>35,975</u>	<u>110,975</u>

3. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements for the year ended 31 December 2024. These are consistent with those applied in preparation of the published annual audited financial statements of the Company for the year ended 31 December 2023.

3.1 Types of Insurance / Window Takaful Operations

a) Conventional Business

The Conventional Business includes individual life, group life and group credit life assurance.

i) Individual life

The individual life business segment provides coverage to individuals against deaths and disability under conventional policies issued by the Company. Additional riders are included on the discretion of the policyholder. The business is written through Bancassurance, Agency and through website.

Revenue recognition

First year regular individual life premiums are recognised once the related policies have been issued and the premium is received. Renewal premiums are recognised upon receipt of premium.

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Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the insured event giving rise to the claim is received. Surrender of conventional business policies is made after these have been approved in accordance with the Company's policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

ii) Group life and group credit life

Group Life contracts are mainly issued to employers to ensure their commitments to their employees as required under the The West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968.

The group life business segment provides coverage to members / employees of business enterprises and corporate entities, against death and disability under group life assurance schemes issued by the Company. The Group Credit Life Protection segment provides coverage to individuals taking any type of loan, including personal loans, credit cards, and mortgages. This coverage is designed to protect both the borrower and the lender against death and disability.

Revenue recognition

Premiums are recognised as and when due. In respect of certain group policies the Company continues to provide insurance cover even if the premium is received after the grace period. Provision for unearned premiums is included in the policyholders' liabilities.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claim expenses are recognised on the date the insured event is intimated.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

Experience refund of premium

Experience refund of premium payable to policyholders' is included in policyholders' liability in accordance with the policy of the Company and the advice of the appointed actuary.

b) Accident and Health Business

Accident and Health Business provides fixed pecuniary benefits or benefits in the nature of indemnity or a combination of both in case of accident or sickness to individuals. The risk underwritten is mainly related to medical expenses relating to hospitalisation and death by accidental means. This business is written through direct sales force.

Revenue recognition

Premiums are recognised once the related policies have been issued and the premiums have been received.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claims expenses are recognised after the date the insured event is intimated and a reliable estimate of the claim amount can be made.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

c) Non-unitised Investment Linked Business

Individual Life Non-unitised Investment Linked Business provides life assurance coverage to individuals under universal life policies issued by the Company. Benefits are expressed in terms of account value of the policyholder account which is related to the market value of the underlying assets of the investment fund. The risk underwritten is mainly death and disability. This business is mainly written through bancassurance channel.

Revenue recognition

First year individual life premiums are recognised once the related policies have been issued and the premium is received. Renewal premiums are recognised upon receipt of premium. Single premiums are recognised once the related policies are issued against the receipts of premium. Premium of riders like 'Waiver of Premium' will be recognised upon actuarial assumptions where

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actuary deems that all premiums due have been received.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expense

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the event giving rise to the claim is received. Claim of 'Waiver of Premium' is created when intimated with the amount to be applied by the Company on behalf of policyholder.

Surrender of Non-unitised Investment Linked Business policies is made after these have been approved in accordance with the Company's policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Maturity claim expenses in Non-unitised Investment Linked business are recognised when the policy completes the benefit term.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

d) Unit Linked Business

Individual Life Unit Linked business provides life assurance coverage to individuals under unit-linked investment policies issued by the Company. Benefits are expressed in terms of account value of the policyholder account which is related to the market value of the underlying assets of the investment fund. Various types of riders (accidental death, family income benefits etc.) are also sold along with the basic policies. Some of these riders are charged through deductions from policyholders fund value, while others are not charged i.e. additional premium is charged there against. The risk underwritten is mainly death and disability. This business is written through bancassurance channel and Company's own agency distribution channel.

Revenue recognition

First year individual life premiums are recognised once the related policies have been issued and the premium is received. Renewal premiums are recognised upon receipt of premium. Single premiums are recognised once the related policies are issued against the receipts of premium. Premium of riders like 'Waiver of Premium' will be recognised upon actuarial assumptions where actuary deems that all premiums due have been received.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the event giving rise to the claim is received. Claim of 'Waiver of Premium' is created when intimated with the amount to be applied by the Company on behalf of policyholder.

Surrender of Unit Linked Business policies is made after these have been approved in accordance with the Company's policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Maturity claim expenses in Unit Investment Linked business are recognised when the policy completes the benefit term.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

e) Individual Family Takaful Unit Linked Business

The Company offers Family Takaful contracts. Family Takaful contract is an arrangement which rests on key Shariah principles of mutual cooperation, solidarity and well being of a community, and is based on the principles of Wakalah Waqf Model. Under a Takaful arrangement, individuals come together and contribute towards the common objective of protecting each other against financial losses by sharing the risk on the basis of mutual assistance.

The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In case there is a deficit in the Waqf Fund, the Window Takaful Operator shall grant an interest free loan (Qard-e-Hasna) to make good the deficit. The loan shall be repayable from the future surplus generated in the Waqf Fund, without any excess of the actual amount given to it. Repayment of Qard-e-Hasna shall receive priority over surplus distribution to participants from the Waqf Fund.

The Company offers Unit Linked Takaful Plans which provide Shariah compliant financial protection and investment vehicle to individual participants. These plans carry cash value, and offer investment choices to the participants to direct their investment related contributions based on their risk / return objectives. The investment risk is borne by the participants.

Revenue recognition

First year individual life contribution are recognised once the related policies have been issued and the contribution is received. Renewal contribution are recognised upon receipt of contribution. Single contribution are recognised once the related policies are issued against the receipts of contribution. Contribution of riders like 'Waiver of Contribution' will be recognised upon actuarial assumptions where actuary deems that all contributions due have been received.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

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Claim expenses

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the event giving rise to the claim is received. Claim of 'Waiver of Contribution' is created when intimated with the amount to be applied by the Company on behalf of policyholder.

Surrender of Unit Linked Takaful Business policies is made after these have been approved in accordance with the Company's Policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Maturity claim expenses in Individual Family Takaful Unit Linked Business are recognised when the policy completes the benefit term.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

f) Group Family Takaful Business

Group life contracts are mainly issued to employers to insure their commitments to their employees as required under the The West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968.

The group life business segment provides coverage to members / employees of business enterprises and corporate entities, against death and disability under group life assurance schemes issued by the Company. The Group Credit Life Protection segment provides coverage to individuals taking any type of loan, including personal loans, credit cards, and mortgages. This coverage is designed to protect both the borrower and the lender against death and disability.

Revenue recognition

Contribution are recognised as and when due. In respect of certain group policies the Company continues to provide insurance cover even if the contribution is received after the grace period. Provision for unearned contribution is included in the policyholders' liabilities.

Recognition of policyholders' liabilities

Policyholders' liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claim expenses are recognised on the date the insured event is intimated.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the policyholders' liabilities in accordance with the estimates recommended by the appointed actuary.

Experience refund of contribution

Experience refund of contribution payable to policyholders' is included in policyholders' liability in accordance with the policy of the Company and the advice of the appointed actuary.

3.2 Reinsurance / retakaful contracts held

Individual policies (including joint life policies underwritten as such) are reinsured under an individual life reinsurance / retakaful agreement whereas group life and group credit life policies are reinsured under group life and group credit life reinsurance agreements respectively.

3.2.1 Conventional

Reinsurance premium

Reinsurance premium ceded is recognised at the same time when the related premium revenue is recognised. It is measured in line with the terms and conditions of the reinsurance treaties.

Reinsurance recoveries

Reinsurance recoveries from reinsurers are recognised at the same time when the claim is intimated and giving rise to the right of recovery is recognised in the books of accounts of the Company.

Experience refund

Experience refund receivable from reinsurers is included in the reinsurance recoveries of claims.

Amount due from / to reinsurer

All receivables (reinsurer's share in claims, inward commission from reinsurer and experience refund) and payables (reinsurance premium) under reinsurance agreements are recognised on net basis in the Company's financial statements, only under the circumstances that there is a clear legal right of off-set of the amounts.

Amounts due from / to reinsurers are carried at cost which is the fair value of the consideration to be received / paid in the future for services rendered / received, less provision for impairment, if any.

3.2.2 Takaful

Retakaful contribution

Retakaful contribution ceded is recognised at the same time when the related contribution revenue is recognised. It is measured in line with the terms and conditions of the reinsurance treaties.

Retakaful recoveries

Retakaful recoveries from retakaful operators are recognised at the same time when the claim is intimated and giving rise to the right of recovery is recognised in the books of accounts of the Company.

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Experience refund

Experience refund receivable from retakaful operators is included in the retakaful recoveries of claims.

Amount due from / to retakaful operator

All receivables (retakaful operator's share in claims, inward commission from retakaful operator and experience refund) and payables (retakaful contribution) under retakaful agreements are recognised on net basis in the Company's financial statements, only under the circumstances that there is a clear legal right of off-set of the amounts.

Amounts due from / to retakaful operator are carried at cost which is the fair value of the consideration to be received / paid in the future for services rendered / received, less provision for impairment, if any.

3.3 Statutory funds

The Company maintains statutory funds in respect of each class of life assurance business in which it operates. Assets, liabilities, revenues and expenses of the Company are referable to the respective statutory funds. However, where these are not referable to statutory funds, these are allocated to shareholders' fund on the basis of actuarial advice. Apportionment of assets, liabilities, revenues and expenses, whenever required between funds are made on the basis certified by the appointed actuary of the Company. Policyholders' liabilities have been included in statutory funds on the basis of the actuarial valuation carried out by the appointed actuary of the Company on the reporting date as required under Section 50 of the Insurance Ordinance, 2000.

3.4 Policyholders' liabilities

a) Conventional Business

i) Individual life

Policyholders' liabilities constitute the reserves for base plans, riders attached to the base plans, and reserves for IBNR claims.

For base plans, policyholders' liabilities are determined as per the minimum criteria given in Insurance Rules, 2017. The discount rate used in this calculation is 3.75%, and the mortality rates assumed are those according to the SLIC (2001-2005) table.

- Incurred But Not Reported (IBNR) claims

IBNR reserves for riders are held as a percentage of rider premium earned in the valuation year in view of grossly insufficient claims experience.

- Unearned Premium Reserve

For yearly renewable contracts and riders where premiums are not age related, the reserves are based on net unearned premium method. The premium (net of reinsurance) proportionate to the unexpired duration of the period for which the respective premiums have been received are held as unearned premium reserves. Reserves for riders where premiums are level over the term of the contract are based on the Net Premium Method.

ii) Group life and group credit life

Policyholders' liabilities comprise of Unearned Premium Reserves (UPR) and reserves for Incurred But Not Reported (IBNR) claims

- Incurred But Not Reported (IBNR) claims

The provision for incurred but not reported claims is estimated at 15% of the earned premium for the year. The assumption is based on a "Claims run-off triangle" study carried out as at 31st December 2024.

- Unearned premium and premium deficiency reserve

Policy reserves for these plans are based on the unearned premium method net of allowances made for unexpired reinsurance premium.

Gross premium proportionate to the unexpired duration of the period for which the respective premiums have been billed is held as unearned premium reserves net of unexpired reinsurance premium.

No premium deficiency reserve has been maintained at the valuation date. The need for any premium deficiency reserve is determined by assessing the adequacy of premium rates for short-term business. Here loss ratios and combined ratios are analyzed for any indication of premium deficiency in the first instance. If further investigation is warranted, this is carried out and a reserve, if needed, is established for any deficiency of premium.

- Profit Commission Reserve

Allowance for a profit commission reserve has been made by estimating the cumulative profit earned on group policies as at the valuation date and retaining the percentage of profit applicable to those group policies where profit commissions will ultimately be payable. The profit commission reserve provided for are net of any expected profit commission recoverable from the reinsurer.

b) Accident and Health Business

Main Plan Policy reserves are based on net unearned premiums. Reserves for yearly renewable riders are based on net unearned premiums.

c) Non-uitised Investment Linked Business

Policyholders' liabilities constitute the account value of investment linked contracts as well as non-investment or risk reserves of these contracts. Risk reserves constitute liabilities held to account for risks such as death, risk only riders (accidental death and disability, monthly income benefit, waiver of premium, etc.) and Incurred But Not Reported (IBNR) claims.

Policyholders' liabilities constitute the account value of investment linked contracts as well as non-investment or risk reserves of these contracts. Risk reserves constitute liabilities held to account for risks such as death, risk only riders (accidental death and disability, monthly income benefit, waiver of premium, etc.) and Incurred But Not Reported (IBNR) claims.

Reserves for riders where premiums are level over the term of the contract are based on the Net Premium Method whereas reserves for riders where premiums are not age related are based on net unearned premiums.

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

- Incurred But Not Reported (IBNR) claims

Reserves for IBNR claims have been estimated using claims run-off triangle.

d) Unit Linked Business

Policyholders' liabilities constitute the fund value of unit linked contracts as well as non-unit reserves of these linked contracts. Non-linked reserves constitute liability kept to account for risks such as death, Incurred But Not Reported (IBNR) claims and non-linked riders (Accidental Death and Disability, Waiver of Premium, etc.).

Reserve for main plan mortality has been based on sum assured at risk using SLIC (2001-05) on the assumption that the risk is uniformly exposed and annually charged (unearned basis).

- Incurred But Not Reported (IBNR) claims

Reserves for IBNR claims have been estimated using claims run-off triangle.

- Unearned premium and premium deficiency reserve

Reserves for riders where premiums are level over the term of the contract are based on the Net Premium Method whereas reserves for riders where premiums are not age related are based on net unearned premiums, where the rider premium (net of reinsurance) proportionate to the unexpired duration of the period for which the respective premiums have been received are held as unearned premium reserves.

The Premium Deficiency Reserve (PDR) is not applicable to these policies.

e) Individual Family Takaful Unit Linked Business

Policyholders' liabilities constitute the fund value of unit linked contracts as well as non-unit reserves of these linked contracts. Non-linked reserves constitute liability kept to account for risks such as death, Incurred But Not Reported (IBNR) claims and non-linked riders (Accidental Death and Disability, Waiver of Contribution, etc.).

Reserve for main plan mortality has been based on sum covered at risk using SLIC (2001-05) on the assumption that the risk is uniformly exposed and annually charged (unearned basis).

- Incurred But Not Reported (IBNR) claims

Reserves for IBNR claims have been estimated using claims run-off triangle.

- Unearned premium and premium deficiency reserve

Reserves for riders where contributions are level over the term of the contract are based on the Net Premium Method whereas reserves for riders where contributions are not age related are based on net unearned premiums, where the rider contribution (net of retakaful) proportionate to the unexpired duration of the period for which the respective contributions have been received are held as unearned contribution reserves.

The Premium Deficiency Reserve (PDR) is not applicable to these policies.

f) Group Family Takaful Business

Policy reserves for these plans are based on the unearned contribution method net of allowances made for acquisition expenses, unexpired retakaful contribution and profit commission. Consideration is also given to the requirement for a Premium Deficiency Reserve. The reserves also comprise allowance for "Incurred But Not Reported" (IBNR) claims. The provision for IBNR claims as included in policyholders' liability is estimated at 15% of the earned contribution for the year. The assumption is based on "Claims run-off triangle" study carried out as at 31st December 2024.

g) Reserve for unearned contribution - Takaful Contracts

The unearned portion of gross contribution, net off wakala fee, is set aside as a reserve and included in the technical reserves. Such reserve is calculated as a portion of the gross contribution of each policy, determined according to the ratio of the unexpired period of the policy and the total period, both measured to the nearest day.

3.5 Retirement benefit obligations

Defined benefit plan (Gratuity fund)

The Company operates an approved gratuity fund for all its eligible employees.

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The relevant details relating to the fund are disclosed in note 20. Gratuity is based on employees' last drawn gross salary. Provisions are made to cover the obligations under the scheme on the basis of actuarial assumptions.

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

3.6 Lease liabilities

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

The Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Company recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets. At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises right-of-use asset (ROU asset) and its related lease liability at the commencement date of the lease.

i) Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for 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 incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company presents right-of-use asset that do not meet the definition of investment property in property and equipment.

ii) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing source and makes certain adjustments, if needed to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

The company presents lease liabilities as a separate line item in the statement of financial position.

iii) **Short-term leases and leases of low-value assets**

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

3.7 Receivables and payables relating to insurance contracts

Receivables and payables are recognised when due. These include amount due to and from agents and policyholders.

3.8 Provisions

Provisions are recognised when the Company has a present 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.9 Other creditors and accruals

Liabilities for creditors and other amounts payable are recognised initially at fair value plus directly attributable transactions costs, if any, and subsequently measured at amortised cost.

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

3.10 Employees accumulated compensated absences

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

3.11 Operating assets

3.11.1 Property and equipment

Recognition and measurement

All items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Subsequent expenditure

Subsequent expenditure incurred is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment, other than freehold land, less their estimated residual values using the straight-line method and is charged to the statement of profit or loss at the rates specified in note 5.1 to these financial statements.

Depreciation on additions during the year is charged from the date in which the asset is put to use, whereas no depreciation is charged from the date the asset is disposed off. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposals of property and equipment is recognised in the statement of profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred in respect of operating property and equipment in the course of their acquisition, construction and installation. The assets are transferred to relevant category of operating property and equipment when they are available for use.

3.11.2 Intangible assets

Intangible assets that are acquired by the Company and have finite lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Software development cost are capitalised only to the extent where future economic benefits that are to be derived from such capitalisation are expected to flow to the Company.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of profit or loss as incurred.

Amortisation

Amortisation is calculated to charge the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives specified in note 6 and is recognised in the statement of profit or loss. Amortisation on additions during the financial year is charged from date in which the asset is put to use, whereas no amortization is charged from the date the asset is disposed off.

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

3.12 Impairment of non financial assets (excluding deferred tax)

The carrying amounts of non-financial assets other than deferred tax asset, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, then an asset's recoverable amount is estimated.

For the purpose of assessing impairment, assets' are grouped at the lowest levels for which there are separately identifiable cash flows i.e. cash-generating units (CGU).

The recoverable amount is the higher of an assets' fair value less cost to sell and value in use. An impairment loss is recognised as an expense in the profit or loss account for the amount by which the assets' carrying amount exceeds its recoverable amount.

Value in use is ascertained through discounting of the estimated future cash flows using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the assets. The fair value less costs to sell calculation is based on the available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.13 Investment property

Investment property is the property which is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property acquired for investment-linked (unit linked business) statutory fund and it was initially measured at cost and subsequently at fair value with any change therein recognised in statement of profit or loss.

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

The fair value of investment property is determined by external, independent property valuer having appropriate recognised professional qualifications.

3.14 Financial instruments

3.14.1 Financial assets

The Company has classified its financial assets on initial recognition into the following categories: at fair value through profit or loss (held for trading), held to maturity, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired.

The Company has classified its income earned on financial assets categorised at fair value through profit or loss as 'income from trading investments' while income earned on financial assets categorised as held to maturity, loans and receivables and available for sale as 'income from non-trading investments'.

a) Financial assets at fair value through profit or loss (held for trading)

Financial assets designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis.

b) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has both the intent and the ability to hold till maturity.

c) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

d) Available for sale

These are non derivative financial assets that are either designated as in this category or not classified in any of the other categories.

Initial recognition and measurement

All financial assets are recognised when the Company becomes a party to the contractual provision of the instrument. Investments other than those categorised into 'financial assets at fair value through profit or loss' category are initially recognised at fair value plus transaction costs which are directly attributable to the acquisition of the securities. Financial assets classified 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss / revenue account. All regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date when the Company commits to purchase or sell the investment.

Subsequent measurement

Financial assets classified as 'at fair value through profit or loss' are subsequently measured at their fair values and gains and losses arising from changes in fair value are included in the statement of profit or loss / revenue account. Available for sale investments are subsequently measured at their fair values and gains and losses arising from changes in fair values are included in other comprehensive income. Any change in the provision for impairment in value of investment is recognised in the statement of profit or loss / revenue account. Amortisation of premium / discounts on acquisition of investments is carried out using effective yield method and charged to the statement of profit or loss / revenue account, as appropriate. Investments classified as held to maturity and loans and receivables are subsequently measured at amortised cost less any impairment losses, taking into account any discount or premium on acquisition by using the effective interest rate method.

Fair / market value measurements

For investments in quoted equity securities, the market value is determined by using Pakistan Stock Exchange quotations at the reporting date. For investments in Government securities, the market value is determined using PKRV/PKISRV/PKFRV rates. The fair market value of term finance certificates / corporate sukuks is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP) and the fair value of open ended mutual funds is declared by the relevant fund.

Impairment against financial assets

Investments classified as 'available-for-sale' are subsequently measured at their market values, with any gain or loss recorded in the Statement of Comprehensive Income. Cumulative gains and losses on mark to market of available-for-sale investments are reclassified to profit and loss account on disposal of investments. When the decline in value of an equity security is significant or prolonged, the cumulative loss (measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss account) that had been recognised in other comprehensive income shall be reclassified from equity to the profit and loss account even though the financial asset has not been derecognised.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statement only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

3.14.2 Financial liabilities

All financial liabilities are recognised at the time the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost.

Subsequent to initial recognition, these are measured at fair / market value or amortised cost using the effective interest rate method, as the case may be.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.15 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents include balances with banks, term deposits with original maturity of three months or less and cash and stamps in hand.

3.16 Other revenue recognition

- Return on fixed income and government securities are recognised on time proportion basis using the effective interest rate method.
- Return on deposits and loans to policyholders are recognised on a time proportion basis.
- Dividend income from investments is recognised when the Company's right to receive the dividend is established.
- Rental Income from investment property is recognised on straight-line basis over the term of the lease.
- Gain or loss on sale of investments is included in the statement of profit or loss in the year in which disposal has been made.
- Gains and losses on disposal of fixed assets are taken to the statement of profit or loss / revenue account in the year in which they arise.
- All income on investments other than unrealised gain on available for sale investments are included in statement of profit or loss / revenue account. Unrealised income from available for sale investments are included in other comprehensive income.

3.17 Acquisition costs

These are costs incurred in acquiring insurance policies / takaful contracts, maintaining such policies / takaful contracts, and include without limitation all forms of remuneration paid to insurance agents / takaful agents.

Commission and other expenses are recognised as expense in the earlier of the financial year in which they are paid and the financial year in which they become payable, except that commission and other expenses which are directly referable to the acquisition or renewal of specific contracts are recognised not later than the period in which the premium to which they refer to is recognised as revenue.

3.18 Takaful operator fee

The shareholders of the Company manage the Window Takaful Operations for the participants. Accordingly, the Company is entitled to Takaful Operator's Fee for the management of Window Takaful Operations under the Waqf Fund, to meet its general and administrative expenses. The Takaful Operator's Fee, termed Wakalah fee, is recognised upfront.

3.19 Taxation

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

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income earned or minimum turnover tax payable under the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax is calculated using tax rates enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred

Deferred taxation is recognised using liability method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.20 Earning Per Share (EPS)

The Company presents basic and diluted earnings per share (EPS) for the shareholders. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. There are no dilution effect on the EPS and as such these are not presented.

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

3.21 Dividend and other appropriations

Dividend and appropriations to reserves except appropriations required by law or determined by the appointed actuary or allowed by the Insurance Ordinance, 2000 are recognised in the year in which these are approved.

3.22 Foreign currency translation

Transactions in foreign currencies are translated to Pakistan Rupees at the foreign exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the Pakistan Rupees at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into Pakistan Rupees at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit or loss and revenue account and presented within finance costs.

3.23 Statutory funds

The Company maintains statutory funds in respect of each class of life insurance business. Assets, liabilities, revenues and expenses of the Company are referable to respective statutory funds, however, where these are not referable to statutory funds, these are allocated to the shareholders' fund.

Apportionment of assets, liabilities, revenues and expenses, wherever required, between funds are made on a fair and equitable basis in accordance with the written advice of the appointed actuary.

3.24 Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format of reporting is based on business segments.

Operating segments are reported in a manner consistent with that provided to the chief operating decision-maker. Ijarah rentals are recognized as an expense in the income statement on a straight line basis from the period of the contract in accordance with the requirements of IFAS 2 Ijarah issued by ICAP.

The Company operates in Pakistan only. The Company has six primary business segments for reporting purposes namely; Conventional Business, Accident and Health Business, Non-Unitised Investment Linked Business, Unit Linked Business, Individual Family Takaful Business and Group Family Takaful Business. The details of all operating segments are described in note 3.1 to these financial statements. The Company accounts for segment reporting using the classes or sub-classes of business (statutory funds) as specified under the Insurance Ordinance 2000 and Insurance Rules, 2017 as the primary reporting format.

3.25 Contingent Liabilities

Contingent Liabilities is disclosed when the Company has a possible obligation as a result of past events, 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 the Company has present legal or constructive obligation that arises from past events, but it is not possible 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.

3.26 Ijarah rentals

Ijarah rentals are recognized as an expense in the income statement on a straight line basis from the period of the contract in accordance with the requirements of IFAS 2 Ijarah issued by ICAP.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about judgments made by the management in the application of approved accounting and reporting standards, as applicable in Pakistan that have the most significant effects on the amount recognized in the financial statements and information about assumptions and estimation uncertainties with significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the subsequent year are described as follows:

	Note
- Policyholders' liabilities and underlying actuarial assumptions	3.1,3.4 & 19
- Residual value and useful lives of property and equipment, intangibles and ROUA	3.11, 5, 6 & 7
- Retirement benefit obligations	3.5 & 20 & 15
- Investment property	3.13 & 8
- Taxation and deferred taxation	3.19, 21 & 37
- Lease liabilities and related assets	3.6 & 22
- Classification and impairment of investments	3.14, 9, 10, 11, 12 & 13
- Provisions	3.8
- Contingencies and commitments	25

5. PROPERTY AND EQUIPMENT

	Note	2024	2023
Operating assets	5.1	224,176	217,585
Capital work in progress	5.2	11,320	2,571
		<u>235,496</u>	<u>220,156</u>

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

5.1 Operating assets

	Cost					Rate %	Depreciation				Written down values as at December 31, 2024
	As at January 01, 2024	Additions	Transferred from CWIP	(Disposals / write-off)	As at December 31, 2024		As at January 01, 2024	For the year	(Disposals / write-off)	As at December 31, 2024	
	(Rupees in '000)						(Rupees in '000)				
Leasehold improvements	71,594	10,023	1,295	(13,168)	69,744	14.3%	26,091	10,410	(3,459)	33,042	36,702
Furniture and fixtures	61,676	2,307	-	(2,013)	61,970	14.3%	34,780	7,239	(1,072)	40,947	21,023
Office equipment	54,022	12,358	-	(1,226)	65,154	20%	38,761	6,643	(1,116)	44,288	20,866
Computer and related equipment	178,059	15,065	-	(7,867)	185,257	33.3%	139,218	25,040	(6,991)	157,267	27,990
Motor vehicles	130,689	56,821	-	(7,025)	180,485	20%	39,605	29,029	(5,744)	62,890	117,595
	<u>496,040</u>	<u>96,574</u>	<u>1,295</u>	<u>(31,299)</u>	<u>562,610</u>		<u>278,455</u>	<u>78,361</u>	<u>(18,382)</u>	<u>338,434</u>	<u>224,176</u>

	Cost					Rate %	Depreciation				Written down values as at December 31, 2023
	As at January 01, 2023	Additions	Transferred from CWIP	(Disposals / write offs)	As at December 31, 2023		As at January 01, 2023	For the year	(Disposals / write offs)	As at December 31, 2023	
	(Rupees in '000)						(Rupees in '000)				
Leasehold improvements	64,752	6,989	6,021	(6,168)	71,594	14.3%	19,873	9,144	(2,926)	26,091	45,503
Furniture and fixtures	70,128	2,731	986	(12,169)	61,676	14.3%	34,956	7,950	(8,126)	34,780	26,896
Office equipment	50,516	4,289	-	(783)	54,022	20%	33,760	5,766	(765)	38,761	15,261
Computer and related equipment	173,164	21,592	-	(16,697)	178,059	33.3%	131,135	23,857	(15,774)	139,218	38,841
Motor vehicles	95,508	45,671	-	(10,490)	130,689	20%	21,981	19,799	(2,175)	39,605	91,084
	<u>454,068</u>	<u>81,272</u>	<u>7,007</u>	<u>(46,307)</u>	<u>496,040</u>		<u>241,705</u>	<u>66,516</u>	<u>(29,766)</u>	<u>278,455</u>	<u>217,585</u>

5.1.1 Operating assets include items costing Rs. 173.31 million (2023: Rs 145.97 million) which are fully depreciated as of December 2024 but are still in active use.

5.1.2 Disposal of fixed assets

Particulars	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers along with relationship
----- Rupees in '000 -----							
Detail of fixed assets sold							
Furniture & fixtures	40	(40)	-	4	4	Negotiation	Bhatti Scrap House
	77	(77)	-	11	11	Negotiation	Muhammad Faisal Qureshi
	542	(318)	224	55	(169)	Negotiation	Bhatti Scrap House
	18	(6)	12	9	(3)	Negotiation	Muhammad Jamil
	335	(218)	117	17	(100)	Negotiation	Nawaz Ahmed
	465	(111)	354	61	(293)	Negotiation	Pak Tech Engineering
	46	(34)	12	28	16	Negotiation	Muhammad Zaman
	104	(15)	89	42	(47)	Negotiation	Muhammad Zaman
	97	(49)	48	22	(26)	Negotiation	Asif Kabar Shop
	75	(33)	42	12	(30)	Negotiation	Eagle Visa Consulting SMC (Pvt) Ltd
Leasehold improvement	13	(8)	5	8	3	Negotiation	Muhammad Faisal Qureshi
	51	(31)	20	6	(14)	Negotiation	Muhammad Faisal Qureshi
	114	(54)	60	9	(51)	Negotiation	Muhammad Jamil
	54	(36)	18	17	(1)	Negotiation	Nawaz Ahmed
	3,643	(871)	2,772	29	(2,743)	Negotiation	Pak Tech Engineering
	882	(126)	756	56	(700)	Negotiation	Muhammad Zaman
Office equipment	13	(12)	1	1	-	Negotiation	Bhatti Scrap House
	98	(98)	-	9	9	Negotiation	Jamshed Scrap Dealer
	62	(62)	-	8	8	Negotiation	Muhammad Faisal Qureshi
	95	(95)	-	5	5	Negotiation	Muhammad Jamil
	49	(49)	-	18	18	Negotiation	Nawaz Ahmed
	66	(66)	-	6	6	Negotiation	New Madina Cooling Point
	75	(75)	-	7	7	Negotiation	Digital Systems Solution
	479	(479)	-	154	154	Negotiation	A2H Traders
	1	-	1	14	13	Negotiation	Muhammad Zaman
	78	(30)	48	52	4	Insurance claim	Adamjee Insurance Company Limited (Parent Company)
	98	(38)	60	59	(1)	Insurance claim	Adamjee Insurance Company Limited (Parent Company)
	57	(57)	-	77	77	Negotiation	Sultan Traders
	55	(55)	-	124	124	Negotiation	Al Rahim Cooling Point

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

	2024					Rate %	2024				Written down values as at December 31, 2024
	Cost						Amortization				
	As at January 01, 2024	Additions	Transferred from CWIP	(Disposals)	As at December 31, 2024		As at January 01, 2024	For the year	(Disposals)	As at December 31, 2024	
	(Rupees in '000)						(Rupees in '000)				
Computer software	194,517	-	1,681	-	196,198	20%	172,365	6,441	-	178,806	17,392
	2023						2023				
	Cost						Amortisation				
	As at January 01, 2023	Additions	Transferred from CWIP	(Disposals)	As at December 31, 2023	Rate %	As at January 01, 2023	For the year	(Disposals)	As at December 31, 2023	Written down values as at December 31, 2023
	(Rupees in '000)						(Rupees in '000)				
Computer software	181,379	13,138	-	-	194,517	20%	158,553	13,812	-	172,365	22,152

6.1 Intangible assets include items costing of Rs. 167.08 million which are fully amortised as of 31 December 2024 (2023: Rs. 161.02 million) but are still in active use.

6.2 Capital work in progress

Opening balance	
Additions	
Reversals	
Transfer to intangible assets	
Closing balance	

Note 2024 2023
------(Rupees in '000)-----

7. RIGHT OF USE ASSETS

Head office and branches

7.1 Head office, bancassurance and agency branches - ROUA

Cost	
Accumulated depreciation	
Net book value	

Opening net book value

Additions

Derecognition

- Cost

- Accumulated depreciation

Derecognition at net book value

Depreciation charged

Closing net book value

Cost

Accumulated depreciation

Net book value

	7.1	666,460	72,502
		322,498	318,777
		(249,996)	(194,357)
		72,502	124,420
	7.3	72,502	124,420
		670,178	8,936
		-	(5,215)
		-	2,359
		-	(2,856)
	7.2	(76,220)	(57,998)
		666,460	72,502
		992,676	322,498
		(326,216)	(249,996)
		666,460	72,502

		2024	2023
	Note	------(Rupees in '000)-----	
7.2 Depreciation			
Acquisition expense	33	(31,107)	(22,768)
Marketing and Administration expense	34	(45,113)	(35,230)
		<u>(76,220)</u>	<u>(57,998)</u>

7.3 Lease assets comprise of head office, regional office, bancassurance and agency branches with a lease term ranging from 4 to 5 years (including renewals). The premises leased from the Parent Company (Head office and Karachi agency branch) are furnished. The management assesses the impact of furniture and fixtures as immaterial and has considered it as part of lease arrangement in respect of office building.

		2024	2023
	Note	------(Rupees in '000)-----	
8. INVESTMENT PROPERTY			
Opening net book value		1,065,394	943,669
Unrealised fair value gain		89,406	121,725
Closing net book value	8.1	<u>1,154,800</u>	<u>1,065,394</u>

8.1 This represents piece and parcel of plot no. 1-A, Main Gulberg, Jail Road, Lahore, measuring 8 Kanal 8 Marla 203 Sq. ft. of a land bought by the Company for the Unit Linked Investment Business. The land is leased to the parent Company.

Market value of this investment property is estimated around Rs. 1,154.80 million (recorded at level 2) with the forced sale value (FSV) of Rs. 810.72 million as at December 31, 2024. Total unrealised gain till December 31, 2024 is Rs. 382.873 million (December 31, 2023: Rs. 293.467 million). The fair value of investment property is determined by K.G Traders (Private) Limited, an external, independent property valuer having appropriate recognised professional qualifications.

Valuation technique

The valuer has arranged inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilisation, and current trends in prices of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the best estimates of the fair value.

		2024	2023
	Note	------(Rupees in '000)-----	
9. INVESTMENT IN EQUITY SECURITIES			
Available for sale	9.1	217,109	-
Fair value through profit or loss (held for trading)	9.2	14,990,843	8,556,762
		<u>15,207,952</u>	<u>8,556,762</u>

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

9.1 Available for sale

	2024			2023		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	----- (Rupees in '000) -----					
Related parties	235,096	-	217,109	-	-	-
	<u>235,096</u>	<u>-</u>	<u>217,109</u>	<u>-</u>	<u>-</u>	<u>-</u>

9.1.1 Details of equity securities - available for sale

	2024		2023	
	No. of shares	Market value Rupees in (000)	No. of shares	Market value Rupees in (000)
Related party				
Nishat Chunian Power Limited	8,050,000	217,109	-	-

9.2 Fair value through profit or loss (held for trading)

	2024			2023		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	----- (Rupees in '000) -----					
Related parties	2,132,393	-	3,289,800	1,535,048	-	2,202,866
Others	10,230,666	-	11,701,043	5,377,513	-	6,353,896
	<u>12,363,059</u>	<u>-</u>	<u>14,990,843</u>	<u>6,912,561</u>	<u>-</u>	<u>8,556,762</u>

9.2.1 Details of equity securities - fair value through profit or loss

	Sector	2024		2023	
		No. of shares	Market value Rupees in (000)	No. of shares	Market value Rupees in (000)
Related party					
MCB Bank Limited	Commercial Banks	10,155,286	2,856,682	10,637,598	1,835,518
Nishat Chunian Limited	Textile Composite	9,675,664	339,519	5,730,098	148,696
Nishat Chunian Power Limited	Power Producer	3,470,475	93,599	2,000,000	55,940
D.G. Khan Cement Company Limited	Cement	-	-	1,705,731	132,024
Nishat Mills Limited	Textile Composite	-	-	400,000	30,688
			<u>3,289,800</u>		<u>2,202,866</u>
Others					
Meezan Bank Limited	Commercial Banks	6,362,915	1,539,635	462,947	74,701
Bank Al Falah Limited	Commercial Banks	13,338,792	1,111,508	-	-
Faysal Bank Limited	Commercial Banks	18,439,419	893,943	5,946,728	193,744
Habib Bank Limited	Commercial Banks	5,032,970	878,052	-	-
Interloop Limited	Textile Composite	11,791,217	810,292	2,534,190	182,462
Hum Network Limited	Technology & Communication	50,000,000	733,500	18,586,000	127,313
Pakistan Tobacco Company Limited	Tobacco	383,353	510,545	116,271	131,454
Mughal Iron & Steel Industries Limited	Engineering	6,193,294	496,083	6,570,262	434,819
National Bank of Pakistan	Commercial Banks	6,084,590	407,182	1,000,000	32,110
Abbott Laboratories (Pakistan) Limited	Pharmaceuticals	321,721	398,245	380,350	175,040
Habib Metropolitan Bank Limited	Commercial Banks	4,063,478	353,523	2,339	129
Cherat Cement Company Limited	Cement	1,230,112	336,669	12,149	1,980
Murree Brewery Company Limited	Food & Personal Care Products	447,138	321,166	513,389	172,232
Bata Pakistan Limited	Leather & Tanneries	146,451	295,663	162,175	280,924
Panther Tyres Limited	Automobile Parts & Accessories	6,241,342	291,096	-	-
Fatima Fertilizer Company Limited	Fertilizer	3,272,660	256,185	-	-
Gul Ahmed Textile Mills Limited	Textile Composite	9,331,314	236,176	5,315,256	114,810
National Foods Limited	Food & Personal Care Products	1,154,244	223,093	1,280,500	185,673
United Bank Limited	Commercial Banks	519,114	198,421	-	-
Pakistan Oilfields Limited	Oil & Gas	267,103	168,708	-	-
Sitara Chemical Industries Limited	Chemical	444,275	139,952	-	-

Sector	2024		2023	
	No. of shares	Market value	No. of shares	Market value
		Rupees in ('000)		Rupees in ('000)
Atlas Battery Limited	271,532	103,384	-	-
Pakistan Petroleum Limited	446,929	90,972	1,860,441	214,007
Highnoon Laboratories Limited	95,963	88,115	247,159	124,707
Exide Pakistan Limited	107,887	86,444	-	-
Rafhan Maize Products Company Limited	8,955	80,595	3,920	39,192
Oil and Gas Development Company Limited	298,504	67,838	1,898,559	213,493
Engro Fertilizer Limited	328,500	67,076	-	-
Dynea Pakistan Limited	289,761	64,576	321,300	59,505
Lucky Cement Limited	56,513	62,192	662,384	521,283
Shabbir Tiles & Ceramics Limited	3,734,706	60,091	2,496,587	35,576
Pakistan Telecommunication Company Limited	2,004,498	54,663	-	-
Nimir Industrial Chemicals Limited	368,679	53,090	47,500	4,940
Agriautos Industries Limited	371,087	40,333	366,630	36,575
Lucky Core Industries Limited	32,961	35,472	84,103	65,483
Systems Limited	55,677	34,601	446,110	188,953
Lotte Chemical Pakistan Limited	1,508,059	31,533	-	-
BankIslami Pakistan Limited	1,350,000	31,010	-	-
Pioneer Cement Limited	73,007	14,678	651,442	74,877
Jubilee General Insurance Limited	200,000	11,496	-	-
Indus Motors Company Limited	4,290	9,136	127,175	152,599
IGI Holdings Limited	50,000	8,711	440,900	48,653
Engro Corporation Limited	6,500	2,894	861,531	254,074
Attock Petroleum Limited	2,427	1,346	37,327	14,129
Mari Petroleum Company Limited	1,550	1,116	139,063	291,490
The Searle Company Limited	425	44	-	-
AGP Limited	-	-	2,911,008	204,672
Atlas Honda Limited	-	-	152,300	53,430
Attock Cement Pakistan Limited	-	-	365,068	35,127
Century Paper & Board Mills Limited	-	-	17,000	554
Citi Pharma Limited	-	-	136,540	3,241
Fauji Cement Company Limited	-	-	39,022,777	738,311
Fauji Fertilizer Company Limited	-	-	571,188	64,653
Ferozsons Laboratories Limited	-	-	32,200	7,105
Haleon Pakistan Limited	-	-	540,262	91,310
Hi-Tech Lubricants Limited	-	-	9,000	236
Honda Atlas Cars(Pakistan) Limited	-	-	1,035	221
Hub Power Company Limited	-	-	455,000	53,276
Jubilee Life Insurance Company Limited	-	-	2,459	335
Maple Leaf Cement Factory Limited	-	-	7,871,073	306,342
Packages Limited	-	-	398,015	210,983
Pakistan Aluminium Beverage Cans Limited	-	-	630,000	47,609
Shifa International Hospitals Limited	-	-	638,510	89,564
		<u>11,701,043</u>		<u>6,353,896</u>

2024

2023

Note -----(Rupees in '000)-----

10. INVESTMENT IN GOVERNMENT SECURITIES

Fair value through profit or loss (held for trading)

10.1	<u>79,582,456</u>	<u>61,365,683</u>
	<u>79,582,456</u>	<u>61,365,683</u>

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

10.1 Fair value through profit or loss (held for trading)

	Term (year / months)	Maturity year	Effective yield (%)	Face value	Carrying value	Market value
----- (Rupees in '000) -----						
Fixed rate instruments						
GOP Ijara Sukuk	1 year	2025	9.28% - 13.41%	2,341,965	2,182,953	2,234,764
GOP Ijara Sukuk	3 years	2026	11.61% - 14.84%	1,773,000	1,796,205	1,920,657
GOP Ijara Sukuk	5 years	2028	12.77% - 13.50%	700,000	702,787	762,650
GOP Ijara Sukuk	5 years	2029	11.44% - 14.97%	535,000	538,002	567,697
GOP Ijara Sukuk	5 years	2026	10.96%	527,500	482,466	531,459
GOP Ijara Sukuk	3 years	2027	11.25% - 15.59%	297,500	299,046	308,701
GOP Ijara Sukuk	5 years	2025	12.17%	100,000	94,090	97,920
Total GOP Ijara Sukuk				6,274,965	6,095,549	6,423,848
Pakistan Investment Bond	3 years	2026	12.20%	7,000,000	6,627,080	6,981,312
Pakistan Investment Bond	2 years	2026	11.75% - 12.25%	3,150,000	2,560,775	2,584,108
Pakistan Investment Bond	5 years	2029	12.36% - 12.38%	2,340,000	2,310,387	2,467,643
Pakistan Investment Bond	10 years	2030	12.31%	1,470,000	1,082,256	1,208,094
Pakistan Investment Bond	5 years	2027	12.32% - 12.33%	275,000	245,429	259,356
Pakistan Investment Bond	3 years	2025	11.98%	10,000	9,540	9,887
Pakistan Investment Bond	3 years	2027	12.33%	4,200	4,191	4,356
Pakistan Investment Bond	5 years	2025	12.10%	500	464	483
Total Pakistan Investment Bond				14,249,700	12,840,122	13,515,239
Treasury Bills	12 months	2025	11.90% - 12.86%	28,983,025	26,862,661	27,222,783
Treasury Bills	3 months	2025	11.92% - 12.86%	6,560,000	6,433,782	6,432,702
Treasury Bills	6 months	2025	11.90% - 12.86%	3,265,000	3,121,346	3,124,824
Total Treasury Bills				38,808,025	36,417,789	36,780,309
Floating rate instruments						
GOP Ijara Sukuk	5 years	2028	11.41% - 14.36%	660,000	659,789	686,598
GOP Ijara Sukuk	5 years	2025	10.1% - 14.40%	630,000	631,555	642,862
GOP Ijara Sukuk	3 years	2026	8.77% - 11.32%	535,000	535,391	546,474
GOP Ijara Sukuk	5 years	2026	12.55% - 12.80%	475,000	479,154	485,714
GOP Ijara Sukuk	5 years	2027	12.47% - 12.88%	264,900	267,873	273,240
GOP Ijara Sukuk	5 years	2029	10.72%	25,000	25,515	25,750
GOP Ijara Sukuk	3 years	2027	10.29%	25,000	25,382	25,700
Total GOP Ijara Sukuk				2,614,900	2,624,659	2,686,338
Pakistan Investment Bond	5 years	2028	12.89% - 17.53%	12,040,000	11,699,858	11,758,013
Pakistan Investment Bond	5 years	2029	12.89% - 15.01%	8,056,800	7,825,822	7,832,166
Pakistan Investment Bond	10 years	2030	12.63%	500,000	493,154	499,954
Pakistan Investment Bond	10 years	2028	13.86%	50,000	49,215	49,265
Pakistan Investment Bond	5 years	2027	14.18%	38,000	37,172	37,324
Total Pakistan Investment Bond				20,684,800	20,105,221	20,176,722
As at December 31, 2024				82,632,390	78,083,340	79,582,456
Unrealised Gain (note 29)				-	1,499,116	-
As at December 31, 2023				82,632,390	79,582,456	79,582,456
As at December 31, 2023				69,140,600	61,492,790	61,365,683

10.1.1 These include PIBs of Rs. 75 million, Rs. 100 million & Rs. 300 million (December 31, 2023: Rs. 75 million, Rs. 100 million & Rs. 300 million) placed with State Bank of Pakistan as per the requirement of section 29 of Insurance Ordinance, 2000 carrying coupon rate of 7.5%, 8% & 12% per annum having maturity period of 5, 10 & 3 years and will mature on April 29, 2027, December 10, 2030 & July 4, 2026 respectively.

11. INVESTMENT IN DEBT SECURITIES

At fair value through profit or loss (held for trading)

	Note	2024			2023		
		Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
----- (Rupees in '000) -----							
Term finance certificates / corporate sukuk	11.1	3,526,448	-	3,539,281	3,673,144	-	3,629,033
		<u>3,526,448</u>	<u>-</u>	<u>3,539,281</u>	<u>3,673,144</u>	<u>-</u>	<u>3,629,033</u>

11.1 Term finance certificates / corporate sukuk

Details of the term finance certificates and corporate sukuk are as follows:

	Maturity date	2024	2023	Face value	Carrying Value	Market Value	
		(Number of certificates)			----- (Rupees in '000) -----		
Term finance certificates (TFCs)							
Bank Al Habib Limited - TFC	30-Sep-31	195,000	195,000	959,223	952,300	959,223	
Samba Bank Limited - TFC	1-Mar-31	4,250	4,250	424,660	423,953	424,405	
The Bank of Punjab II - TFC	23-Apr-28	2,580	2,580	257,484	258,889	260,568	
Askari Bank Limited VI - TFC	Perpetual	100	100	100,000	100,000	100,000	
Askari Bank Limited VII - TFC	17-Mar-30	100	100	100,000	99,500	99,500	
The Bank of Punjab I - TFC	17-Apr-28	1,000	1,000	100,000	100,334	98,211	
Habib Bank Limited II - TFC	26-Sep-34	500	500	50,000	50,000	50,000	
Total Term Finance Certificates				<u>1,991,367</u>	<u>1,984,976</u>	<u>1,991,907</u>	
Sukuk							
Pakistan Energy - Sukuk II	21-May-30	115,000	115,000	580,730	575,173	580,730	
Meezan Bank Limited - Sukuk	9-Jan-30	500	500	500,000	501,250	504,101	
Meezan Bank Limited - Sukuk	16-Dec-31	450	450	440,499	442,917	440,499	
Dubai Islamic Bank - Sukuk	2-Dec-32	22	22	22,044	22,132	22,044	
Total Sukuk				<u>1,543,273</u>	<u>1,541,472</u>	<u>1,547,374</u>	
				<u>3,534,640</u>	<u>3,526,448</u>	<u>3,539,281</u>	
				<u>-</u>	<u>12,833</u>	<u>-</u>	
				<u>3,534,640</u>	<u>3,539,281</u>	<u>3,539,281</u>	
				<u>3,661,476</u>	<u>3,673,144</u>	<u>3,629,033</u>	
				<u>3,661,476</u>	<u>3,673,144</u>	<u>3,629,033</u>	

12. INVESTMENT IN TERM DEPOSITS

Deposits maturing within 12 months (held to maturity)

13. INVESTMENT IN OPEN-ENDED MUTUAL FUNDS

Fair value through profit or loss (held for trading)

2024 2023
Note ----- (Rupees in '000) -----

		-	75,000
		<u>-</u>	<u>75,000</u>
		<u>7,421,764</u>	<u>4,981,341</u>

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

13.1 Fair value through profit or loss (held for trading)

	2024			2023		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	----- (Rupees in '000) -----					
Related parties	3,804,635	-	5,340,023	3,129,148	-	4,981,341
Others	1,962,526	-	2,081,741	-	-	-
	<u>5,767,161</u>	<u>-</u>	<u>7,421,764</u>	<u>3,129,148</u>	<u>-</u>	<u>4,981,341</u>

Details of open-ended mutual funds - fair value through profit or loss

	2024		2023	
	No. of units	Market value (Rupees in 000)	No. of units	Market value (Rupees in 000)
Related parties - MCB Funds				
MCB Pakistan Stock Market Fund	8,715,370	1,985,548	14,038,557	1,862,810
Alhamra Islamic Stock Fund	58,448,080	1,281,766	149,237,689	2,093,805
Alhamra Islamic Income Fund	8,672,001	987,267	667,028	75,779
Alhamra Islamic Asset Allocation Fund	2,415,312	375,885	5,506,794	522,441
MCB Pakistan Dividend Yield Plan / Opportunity Fund Opportunity Fund	759,297	176,104	540,454	81,073
Pakistan Asset Allocation Fund	1,016,279	175,013	2,932,844	337,190
Alhamra Opportunity Fund-Dividend Strategy Plan	1,079,336	156,612	-	-
MCB Cash Management Optimizer	1,392,263	154,996	1,978	201
Alhamra Cash Management Optimizer	334,538	36,389	-	-
MCB Pakistan Sovereign Fund	172,630	10,406	134,363	8,042
Pakistan Income Fund	2,328	37	-	-
		<u>5,340,023</u>		<u>4,981,341</u>
Others				
Faysal Islamic Sovereign Plan I	12,331,796	1,358,716	-	-
Faysal Islamic Special Income Plan III	6,619,336	717,820	-	-
NBP Income Fund of Fund-NBP Cash Plan I	474,037	5,205	-	-
		<u>2,081,741</u>		<u>-</u>
Total		<u>7,421,764</u>		<u>4,981,341</u>

14. INSURANCE / TAKAFUL / REINSURANCE / RETAKAFUL RECEIVABLES	2024	2023
		Note -----(Rupees in '000)-----
Due from insurance contract holders - group life business	46,879	41,782
Less: provision for impairment of receivables from insurance contract holders	-	-
	<u>46,879</u>	<u>41,782</u>
Due from reinsurers / retakaful operators	14,558	52,361
Net insurance / takaful / reinsurance / retakaful receivable	<u>61,437</u>	<u>94,143</u>

- 14.1 The maximum related parties exposure of against such receivables, calculated based on average month-end balances, are as follows:

		2024	2023
	Note	------(Rupees in '000)-----	
Related parties			
MCB Islamic Bank Limited		7,158	4,658
MCB Bank Limited		4,285	9,680
Others		3,860	1,707
		<u>15,303</u>	<u>16,045</u>
None of these balances are past due for more than 365 days.			
14.2	Movement in provision for impairment of receivables from insurance contract holders		
	Opening	-	-
	Provision for the year	-	2,660
	Provision written-off	-	(2,660)
	Closing	<u>-</u>	<u>-</u>

- 14.3 A provision has not been recognized against the outstanding receivables, as most of the receivables are received within the agreed timeframe in accordance with the terms of the agreements.

		2024	2023
	Note	------(Rupees in '000)-----	
15. LOANS, ADVANCES AND OTHER RECEIVABLES			
Accrued income on investments	15.1	1,426,531	1,177,420
Receivable against the sale of investment		72,792	98,143
Advance to supplier	15.2	64,321	5,547
Security deposits		57,133	48,141
Other receivables		23,039	4,997
Loan to employees - secured	15.3	22,875	23,551
Dividend receivable		1,010	9,468
Receivable from related parties		500	-
Receivable from gratuity		-	11,791
		<u>1,668,201</u>	<u>1,379,058</u>

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

	2024	2023
	------(Rupees in '000)-----	
15.1 Accrued income on investments		
Government securities	1,247,958	677,948
Open-ended mutual funds	148,729	-
Return on bank balances	29,844	47,874
Debt securities	-	451,598
	<u>1,426,531</u>	<u>1,177,420</u>

15.2 This includes advance to supplier for import of IT related equipment amounting to Rs. 51.6 million.

15.3 This represents interest free loans secured against the gratuity entitlement and are repayable within one year of the disbursement.

	2024	2023
	------(Rupees in '000)-----	
16. PREPAYMENTS		
Prepaid miscellaneous expenses	52,847	37,759
Prepaid rent- Ijarah term	-	17,410
	<u>52,847</u>	<u>55,169</u>

16.1 This includes a prepayment made to ORA-Tech Systems (Private) Limited. for annual software and maintenance support for Oracle, amounting to Rs. 28.5 million.

	2024	2023
	------(Rupees in '000)-----	
17. CASH AND BANK		
Cash and stamps in hand		
- Cash in hand	332	617
- Policy stamps	11,894	9,186
	<u>12,226</u>	<u>9,803</u>
Cash at bank		
- Current accounts	364,041	227,763
- Saving accounts	5,869,647	3,689,030
	<u>6,233,688</u>	<u>3,916,793</u>
	<u>6,245,914</u>	<u>3,926,596</u>

17.1 This carries profit rate ranging from 6.73% to 20.5% (December 31, 2023: 12% to 21%) per annum.

		2024	2023
17.2 Cash and cash equivalents	Note	------(Rupees in '000)-----	
Cash and cash equivalents includes the following for the purpose of cash flow statement:			
- Cash in hand and policy stamps	17	12,226	9,803
- Cash at bank	17	6,233,688	3,916,793
- Term deposits maturing within three months	12	-	75,000
		<u>6,245,914</u>	<u>4,001,596</u>
18. ORDINARY SHARE CAPITAL			
18.1 Authorised capital			
		2024	2023
		Number of shares in '000	
		<u>250,000</u>	<u>250,000</u>
	Ordinary shares of Rs. 10 each fully paid in cash	<u>2,500,000</u>	<u>2,500,000</u>
18.2 Issued, subscribed and paid up share capital			
		2024	2023
		Number of shares in '000	
		<u>250,000</u>	<u>250,000</u>
	Ordinary shares of Rs. 10 each fully paid in cash	<u>2,500,000</u>	<u>2,500,000</u>
18.3	Share capital includes Rs. 364.66 million (2023: 364.66 million) transferred to the statutory funds.		
18.4	As at December 31, 2024 Adamjee Insurance Company Limited and its nominees held 225 million ordinary shares (2023: 225 million ordinary shares) of Rs. 10 each.		
19. INSURANCE / TAKAFUL LIABILITIES	Note	2024	2023
		------(Rupees in '000)-----	
Reported outstanding claims (including claims in payment)	19.1	4,876,639	3,377,054
Incurred but not reported claims	19.2	209,283	229,319
Investment component of unit-linked and account value policies	19.3	99,728,428	74,570,484
Liabilities under individual conventional insurance / takaful contracts	19.4	29,904	27,503
Liabilities under group insurance contracts (other than investment linked)	19.5	227,121	199,093
Other insurance / takaful liabilities	19.6	982,361	902,282
Gross insurance / takaful liabilities		<u>106,053,736</u>	<u>79,305,735</u>
Surplus of Participant Takaful Fund	19.8	298,668	254,253
Total Insurance / takaful liabilities		<u>106,352,404</u>	<u>79,559,988</u>

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

	2024	2023
	------(Rupees in '000)-----	
19.1 Reported outstanding claims		
Gross of reinsurance / retakaful		
Payable within one year	4,876,639	3,377,054
Recoverable from reinsurers / retakaful operators	(50,067)	(94,553)
Net reported outstanding claims	<u>4,826,572</u>	<u>3,282,501</u>
19.2 Incurred but not reported claims		
Individual life		
Gross of reinsurance / retakaful	193,562	280,053
Reinsurance / retakaful recoveries	(51,560)	(105,827)
Net of reinsurance / retakaful	142,002	174,226
Group life		
Gross of reinsurance / retakaful	155,073	133,185
Reinsurance / retakaful recoveries	(87,792)	(78,092)
Net of reinsurance / retakaful	67,281	55,093
Net incurred but not reported claims	<u>209,283</u>	<u>229,319</u>
19.3 Investment component of unit linked and account value policies		
Investment component of unit linked policies	99,074,261	73,346,877
Investment component of account value policies	654,167	1,223,607
	<u>99,728,428</u>	<u>74,570,484</u>
19.4 Liabilities under individual conventional insurance / takaful contracts		
Gross of reinsurance / retakaful	31,509	29,348
Reinsurance / retakaful credit	(1,605)	(1,845)
Net of reinsurance / retakaful	<u>29,904</u>	<u>27,503</u>
19.5 Liabilities under group insurance / takaful contracts (other than investment linked)		
Gross of reinsurance / retakaful	472,988	377,626
Reinsurance / retakaful credit	(245,867)	(178,533)
Net of reinsurance / retakaful	<u>227,121</u>	<u>199,093</u>
19.6 Other insurance / takaful liabilities		
Gross of reinsurance / retakaful	1,091,882	1,027,288
Reinsurance / retakaful credit	(109,521)	(125,006)
Net of reinsurance / retakaful	<u>982,361</u>	<u>902,282</u>
19.7 Net change in insurance / takaful liabilities (other than outstanding claims)		
Total Insurance / takaful liabilities	106,352,404	79,559,988
Reported outstanding claims (including claims in payment)	(4,876,639)	(3,377,054)
	<u>101,475,765</u>	<u>76,182,934</u>
Less: opening insurance / takaful liabilities (other than outstanding claims)	(76,182,934)	60,286,164
Net change in insurance / takaful liabilities (other than outstanding claims)	<u>25,292,831</u>	<u>15,896,770</u>

19.8 This comprises the surplus of the Individual and Group Family Takaful - Participant Takaful Fund, which relates exclusively to participants of the Individual and Group Family Takaful Fund and is not available for distribution to shareholders. The surplus arising in the Participants' Sub-Fund can only be distributed to the participants of that fund with the approval of the appointed actuary. As clarified by SECP, the surplus has been classified under insurance liabilities.

20. RETIREMENT BENEFIT OBLIGATIONS

20.1 The Company operates a funded gratuity scheme covering eligible employees who have completed the minimum qualifying eligible service period of six months. The employees are entitled to gratuity on the basis of last drawn monthly gross salary on normal retirement or on death in service on the number of years of services with the Company. Contribution to the fund is made and expense is recognised on the basis of actuarial valuations carried out at each year end using the projected unit credit method.

20.1.1 Responsibility for the governance of the plans, including investment decisions and contribution schedules, lies with the Board of Trustees. The Company appoints the Trustees and all trustees are employees of the Company. Details of the Company's obligation under the staff gratuity scheme determined on the basis of an actuarial valuation carried out by an independent actuary as at December 31, 2024 under the Projected Unit Credit Method are as follows:

	Note	2024	2023
		------(Rupees in '000)-----	
20.2 Statement of financial position reconciliation			
Present value of defined benefit obligations	20.2.1	(306,556)	(203,354)
Fair value of plan assets	20.2.2	234,432	215,145
Net (liability) / asset at end of the year	20.2.4	(72,124)	11,791
20.2.1 Movement in present value of defined benefit obligations			
Present value of defined benefit obligations at beginning of the year		(203,354)	(189,140)
Current service cost	20.2.3	(40,856)	(41,714)
Interest cost	20.2.3	(37,033)	(32,503)
Benefits paid during the year	20.2.2	33,004	62,176
Remeasurement loss on obligation:			
- due to changes in financial assumptions	20.2.3	(58,317)	(2,173)
Present value of defined benefit obligations at end of the year		(306,556)	(203,354)
20.2.2 Movement in fair value of plan assets			
Fair value of plan assets at beginning of the year		215,145	184,274
Contributions made by the Company to the fund		5,000	53,000
Interest income on plan assets	20.2.3	35,158	28,518
Benefits paid during the year		(33,004)	(62,176)
Remeasurement gain on plan assets	20.2.3	12,133	11,529
Fair value of plan assets at end of the year		234,432	215,145

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

	Note	2024	2023
------(Rupees in '000)-----			
20.2.3 Expense recognised in statement of profit or loss and other comprehensive income			
Current service cost	20.2.1	(40,856)	(41,714)
Interest cost	20.2.1	(37,033)	(32,503)
Interest income on plan assets	20.2.2	35,158	28,518
Expense for the year recognised in the statement of profit or loss		<u>(42,731)</u>	<u>(45,699)</u>
Remeasurement loss on defined benefit obligation	20.2.1	(58,317)	(2,173)
Remeasurement gain on fair value of plan assets	20.2.2	12,133	11,529
Amount recognised in the other comprehensive income		<u>(46,184)</u>	<u>9,356</u>
20.2.4 Net recognised (liability) / asset			
Net surplus / (liability) at beginning of the year		11,791	(4,866)
Net expense recognised in statement of profit or loss	20.2.3	(42,731)	(45,699)
(Expense) / income recognised in other comprehensive income	20.2.3	(46,184)	9,356
Contributions made to the Fund during the year		5,000	53,000
Net (liability) / surplus at end of the year	20.2	<u>(72,124)</u>	<u>11,791</u>

(Rupees in '000)

20.2.5 Estimated gratuity cost for the year ending December 31, 2025, is as follows:

Current service cost	57,850
Net interest cost	13,682
Total expense to be recognised in statement of profit or loss	<u>71,532</u>

20.3 Plan assets comprise of following:

	2024		2023	
	(Rupees in '000)	% age	(Rupees in '000)	% age
Government securities	212,428	90.61	211,422	98.27
Bank balance (book overdraft)	21,996	9.39	(17,409)	(8.09)
Mutual funds	8	0.00	21,132	9.82
Fair value of plan assets at end of the year	<u>234,432</u>	<u>100.00</u>	<u>215,145</u>	<u>100.00</u>

20.3.1 The assets are represented by cash in the Scheme's bank deposit account with Standard Chartered Bank and MCB Bank, directly held T-Bills and PIBs and funds invested with JS Cash Fund managed by JS Funds.

20.4 The principal assumptions used in the actuarial valuations carried out as of December 31, 2024, using the 'Projected Unit Credit Method', are as follows:

	Gratuity fund	
	2024	2023
	------(%)-----	
Discount rate per annum	12.25	15.5
Expected per annum rate of return on plan assets	12.25	15.5
Expected per annum rate of increase in salary level	3.00 - 11.00	3.00 - 11.00
Expected mortality rate	LIC 94-96 Mortality table for males (rated down by 3 years for females)	LIC 94-96 Mortality table for males (rated down by 3 years for females)
Expected withdrawal rate	60	60

20.4.1 The plans expose the Company to actuarial risks such as:

Salary risks

The risks that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Discount risks

The risk of volatile discount rates over the funding life of the scheme. The final effect could go either way depending on the relative of salary increases, timing of contributions, performance of investments and outgo of benefits.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experience is different from expected. The effect depends upon the beneficiaries' service / age distribution and the benefit.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating an investment policy and guidelines based on which investments are made after obtaining approval of trustees of funds.

The investment positions are managed within an Asset-Liability Matching (ALM) framework to ensure that long-term investments are in line with the obligation under the retirement benefit plan. The Board of Trustees actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit obligations. The Board of Trustees has not changed the process used to manage its risks from previous periods. Majority of investments are placed in government securities.

The expected return on plan assets is assumed to be the same as the discount rate (as required by International Accounting Standard IAS 19). The actual return depends on the assets underlying the current investment policy and their performance. Expected yields on fixed interest investments are based on gross redemption yields as at the date of financial statement. Expected return on equity investments reflect long-term real rates of return experienced in the market.

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

20.5 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2024	2023
	----- (Rupees in '000) -----	
Discount rate (1% increase)	(14,737)	(8,442)
Discount rate (1% decrease)	16,616	9,383
Future salary increase rate (1% increase)	18,316	10,807
Future salary increase rate (1% decrease)	(16,537)	(9,870)

The impact on defined benefit obligation due to increase in life expectancy by 1 year would be Rs. 40,029 (2023: Rs. 79,090)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant assumptions, same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

20.6 The weighted average duration of the defined benefit obligation is 6.29 years. Besides the number of employees covered in the scheme at December 31, 2024 were 832 (2023: 732).

20.7 The expected maturity analysis of undiscounted retirement benefit plan is as follows:

	(Rupees in '000)
Less than a year	46,599
Between 1 - 2 years	6,971
Between 2 - 3 years	2,214
Between 3 - 4 years	21
Between 4 - 5 years	9,210

20.8 Historical Information

	2024	2023	2022	2021	2020
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	306,556	203,354	189,140	178,588	178,021
Fair value of plan assets	(234,432)	(215,145)	(184,274)	(185,048)	(65,672)
Deficit / (surplus)	<u>72,124</u>	<u>(11,791)</u>	<u>4,866</u>	<u>(6,460)</u>	<u>112,349</u>

20.9 Experience adjustment

	2024	2023	2022	2021	2020
Experience adjustments on obligation	<u>19%</u>	<u>1%</u>	<u>-10%</u>	<u>-24%</u>	<u>18%</u>
Experience adjustments on asset	<u>5%</u>	<u>5%</u>	<u>-9%</u>	<u>-4%</u>	<u>-3%</u>

20.10 Gratuity cost to be recognised in the statement of profit or loss in the next financial period is not necessarily the amount of the contribution for that period. Decision about the contribution is made by the Company based on the allowability under the Insurance Tax Rules, 2002 and the availability of surplus funds, etc.

20.11 The investment out of staff gratuity scheme have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

21. DEFERRED TAXATION	Note	2024 ------(Rupees in '000)-----	2023
Deferred credits arising due to:			
Retained earnings - Ledger Account D		1,211,328	669,602
Financial assets at fair value through profit or loss - unrealised		42,659	-
Lease liability against ROU assets - net		2,167	-
		1,256,154	669,602
Deferred debits arising due to:			
Retirement benefit obligations		(18,012)	3,649
Fixed assets and intangibles		(13,310)	(15,955)
Financial assets at available for sale - unrealised		(7,015)	-
		(38,337)	(12,306)
Deferred tax liability	21.1	1,217,817	657,296

2024				
21.1 Deductible / (taxable) temporary differences	Balance as at January 01, 2024	Recognised in profit & loss account	Recognised in other comprehensive income	Balance as at December 31, 2024
----- (Rupees in '000) -----				
On retained earning - Ledger account D	(669,602)	(541,726)	-	(1,211,328)
Financial assets at fair value through profit or loss - unrealised	-	(42,659)	-	(42,659)
Lease liability against ROU assets - net	-	(2,167)	-	(2,167)
Financial assets at available for sale - unrealised	-	-	7,015	7,015
Fixed assets and intangibles	15,955	(2,645)	-	13,310
Retirement benefit obligations	(3,649)	3,649	18,012	18,012
	(657,296)	(585,548)	25,027	(1,217,817)
2023				
Deductible / (taxable) temporary differences	Balance as at January 01, 2023	Recognised in profit & loss account	Recognised in other comprehensive income	Balance as at December 31, 2023
----- (Rupees in '000) -----				
On retained earning - Ledger account D	(382,635)	(286,967)	-	(669,602)
Retirement benefit obligations	750	(750)	(3,649)	(3,649)
Financial assets at available for sale - unrealised	50	2,657	(2,707)	-
Fixed assets and intangibles	5,191	10,764	-	15,955
	(376,644)	(274,296)	(6,356)	(657,296)

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
22. LEASE LIABILITIES	22.1	660,903	103,455
22.1 Lease liabilities - movement			
Opening balances		103,455	159,592
Addition during the year		623,069	8,936
Derecognition during the year		-	(3,494)
		726,524	165,034
Finance Cost		23,012	17,931
		749,536	182,965
Payments		(88,633)	(79,510)
Closing balances		660,903	103,455
		104,752	71,514
Current portion		556,151	31,941
Non-current portion		660,903	103,455

22.2 This includes the present value of lease liabilities, discounted at an incremental borrowing rate ranging from 9.48% to 17.37%. The lease agreements range between a period of 11 months to 5 years. The management has assessed and incorporated the optional lease renewals in accordance with IFRS 16.

22.3 Maturity Analysis

	2024			2023		
	Present value of minimum lease payments	Future financial charges	Minimum lease payments	Present value of minimum lease payments	Future financial charges	Minimum lease payments
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Not later than one year	104,752	82,185	186,937	71,514	8,065	79,579
Later than one year but not later than three years	274,478	117,798	392,276	31,941	4,181	36,122
Later than three years but not later than five years	281,673	35,215	316,888	-	-	-
	660,903	235,198	896,101	103,455	12,246	115,701

22.4 In the current year, the management reviewed the presentation of disclosures in the financial statements. In order to enhance clarity and transparency, payments against lease liabilities amounting Rs. 65.6 (2023: Rs. 79.5 million) have been classified separately on the face of statement of cashflows which were previously included in marketing expenses. Corresponding figures have been rearranged and reclassified for better presentation.

	2024	2023
	----- (Rupees in '000) -----	
23. (INSURANCE / TAKAFUL) / (REINSURANCE / RETAKAFUL) PAYABLES		
Due to reinsurers / retakaful operators	147,557	102,148

24. OTHER CREDITORS AND ACCRUALS	Note	2024	2023
------(Rupees in '000)-----			
Agents commission payable		633,764	349,031
Accrued expenses	24.1	445,170	394,034
Workers' Welfare Fund		70,092	-
Other tax payable		35,200	17,456
Payable to related parties		12,977	9,530
Payable against the purchase of investments		-	232,841
		1,197,203	1,002,892

24.1 This includes provision for compensated absences amounting in aggregated to Rs. 90.87 million (2023: Rs. 68.42 million) and provision against expenses amounting to Rs. 277.7 million (2023: Rs. 240.7 million).

25. CONTINGENCIES AND COMMITMENTS

25.1 CONTINGENCIES

Sales tax on life insurance premium

Sindh Revenue Board (SRB) vide notification no. SRB 3-4/5/2019 dated May 8, 2019, extended the exemption on life insurance till June 30, 2019. Subsequently, life insurance was made taxable from July 1, 2019, at the rate of 3% and group life insurance at the rate of 13%. With effect from November 1, 2018 the Punjab Revenue Authority (PRA) withdrew its exemption on life and health insurance and made the same subject to Punjab Sales Tax (PST). The Company collectively through the forum of Insurance Association of Pakistan ("IAP") filed a constitutional petition in the Lahore High Court (LHC) and in the High Court of Sindh (SHC) at Karachi on September 28, 2019 and November 28, 2019 against PRA and SRB respectively on the following main contentions:

- Substantiating the Company's view that insurance is not a service but in fact, in sum and substance, a contingent contract under which payment is made on the occurrence of the event, specified in the term of contract or policy, and is thus a financial arrangement. Superior courts in foreign jurisdictions have held that insurance is not a service.
- A question of constitutionality arose on the levy of provincial sales tax on life insurance, which in their view, was a federal subject, since the Federation has retained a legislative mandate over all laws relating to insurance under Entry 29 of the said List, therefore, only the Federation is entitled to levy and any tax in relation to insurance business; and
- A vast majority of premium received from a policyholder, during the life of the policy, is in fact channeled to the policyholders' investment account and as such this is critically important in exposing the legal fallacies embodied in the Rules. Thus, if the entire Gross Written Premium (GWP) was subjected to the provincial sales tax, this was akin to a direct tax on the policyholders, in the nature of income tax, wealth tax or capital value tax, all of which fall exclusively within the domain of Federal Legislature.

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

Shortly after the end of 2024, the Hon'ble SHC dismissed the case merely on technical grounds and without considering the merits of the arguments that forms the basis of the petition, essentially directing the petitioners to re-approach SRB regarding show cause notices issued by the department on the matter of taxability of life and health insurance. However, it has been unanimously decided by the industry, through the platform of Insurance Association of Pakistan (IAP), to refer the case to and file a constitutional petition in the Supreme Court of Pakistan.

In view of the opinion of the legal advisors, and pending the adjudication of the subject matter, the Company has neither billed its customers, nor recognised the contingent liability for Sindh Sales Tax, Punjab Sales Tax & Khyber Pakhtunkhwa Sales Tax, which, calculated on the basis of risk premium only and excluding the investment component allocated to unit linked policies, aggregated to Rs 1,338 million (2023: Rs. 1,052.46 million). In Baluchistan province, given that the Company has limited operations in that province, the amount of contingent sales tax liability for Baluchistan Sales Tax on Services, calculated on the similar basis as Sind Sales Tax, Punjab Sales Tax & Khyber Pakhtunkhwa Sales Tax, is immaterial. The Company, based on the opinions of the legal advisors, is confident about the favorable outcome of the case. Meanwhile, the life insurance companies will collectively continue their administrative efforts through IAP platform to reach an amicable settlement with the provincial revenue authorities.

25.2 Income tax

Additional Commissioner Inland Revenue (ACIR), Range B, Zone VI, Large Taxpayers Office, Karachi issued orders dated December 29, 2023 and December 26, 2024 u/s 122(5A) of the Income Tax Ordinance, 2001 to the Company for tax years 2018 and tax year 2019. In the aforementioned orders, ACIR levied a minimum tax of Rs. 197.361 million and Rs. 197.838 million for tax years 2018 and 2019 respectively under section 113 of the Ordinance @ 1.25% on the gross turnover of the Company taking into account the entire gross receipts of Statutory funds which essentially is attributable to policyholders' funds, the taxability of which is dealt with separately under the Fourth Schedule of the Income Tax ordinance, 2001.

The Company, through its tax consultant had filed appeals for tax year 2018 before Income Tax Commissioner (Appeals) and for tax year 2019, directly to Appellate Tribunal Inland Revenue (as per the new rules). The decision against both the appeals is pending. The grounds of both the appeals were that owing to the special nature of insurance business, ACIR, has ignored the well-settled principles that used to calculate the income tax liability of life assurance business. Rules 1, 2 and 3 of the Fourth Schedule to the Ordinance overrides the provisions of the Ordinance by virtue of section 99 of the Ordinance. Rule 2 of the Fourth Schedule provides that profit and gains of a life insurance business shall be the current year's surplus appropriated to P&L Account as per the advice of the appointed Actuary. It is evident that tax can only be levied on shareholder's surplus appropriated to P&L account whereas policyholder's surplus is exempt from tax.

The gross turnover as calculated by ACIR does not represent the income of the Company and hence levying minimum tax on gross turnover is tantamount to tax on policyholders which is against the intent of the legislature.

The Company and the legal advisors are confident that the outcome of the matter will ultimately be decided in favour of the Company, hence, no provision for the amount involved is required to be made in these financial statements.

	2024	2023
	------(Rupees in '000)-----	
25.2 COMMITMENTS		
25.2.1 Commitments in respect of Ijarah rentals		
Not later than one year	48,858	67,254
Later than one year and not later than five years	35,091	94,587
	<u>83,949</u>	<u>161,841</u>
Commitments represent Ijarah rentals for vehicles payable in future period.		
26. NET PREMIUM / CONTRIBUTION REVENUE		
Gross Premiums / Contributions		
Regular Premium / Contributions individual policies*		
- first year	2,806,172	2,865,715
- second year renewal	2,130,498	2,368,874
- subsequent years renewal	7,992,781	7,978,652
Total Regular Premium / Contributions individual policies	<u>12,929,451</u>	13,213,241
Single premium / contributions individual policies*	17,086,687	9,287,814
Group policies / contracts without cash values	1,105,582	916,878
Less: experience refund	(152,890)	(67,105)
Total gross premiums / contributions	<u>30,968,830</u>	23,350,828
Less: reinsurance premiums / retakaful contributions ceded		
On individual life first year business	(45,136)	(47,660)
On individual life second year business	(32,829)	(35,376)
On individual life subsequent renewal business	(124,172)	(155,857)
On individual life single premium business	(6,990)	(6,283)
On group policies	(575,154)	(487,574)
Less: experience refund from reinsurers	100,142	67,581
	<u>(684,139)</u>	<u>(665,169)</u>
Net premiums / contributions	<u>30,284,691</u>	<u>22,685,659</u>

* Individual policies are those underwritten on an individual basis.

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

	2024	2023
	------(Rupees in '000)-----	
27. INVESTMENT INCOME		
Income from equity securities and open-ended mutual funds		
Dividend income		
Available for sale	42,672	801
Fair value through profit or loss	1,227,513	915,695
	<u>1,270,185</u>	<u>916,496</u>
Income from government securities		
Fair value through profit or loss	12,988,102	9,661,183
Income from debt securities - fair value through profit or loss		
Return on TFCs and corporate sukuks	760,228	782,369
Income from term deposit receipts - held to maturity		
Return on term deposit receipts	8,029	494,752
	<u>15,026,544</u>	<u>11,854,800</u>
28. NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS		
Available for sale		
Realised gain on:		
- Equity securities	-	8,203
	-	<u>8,203</u>
Fair value through profit or loss		
Realised gains / (losses) on:		
- Equity securities	3,388,235	1,809,365
- Government securities	467,213	(98,803)
- Open-ended mutual funds	1,434,828	272,064
- Debt securities	-	(15,272)
	<u>5,290,276</u>	<u>1,967,354</u>
	<u>5,290,276</u>	<u>1,975,557</u>
29. NET FAIR VALUE GAIN / (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED		
Net unrealised gains / (losses) on:		
- Equity securities	2,627,784	1,644,201
- Government securities	1,499,116	(127,107)
- Debt securities	12,833	(44,111)
- Open-ended mutual funds	1,654,603	1,852,193
	<u>5,794,336</u>	<u>3,325,176</u>
Total gain	5,794,336	3,325,176
Investment related expenses	(150,652)	(101,716)
	<u>5,643,684</u>	<u>3,223,460</u>

	2024	2023
	------(Rupees in '000)-----	
30. OTHER INCOME		
Return on bank balances	718,349	876,612
Mark-up on policy loans	1,048	4,862
(Loss) / gain on disposal of fixed assets	(692)	1,407
Miscellaneous income	99	-
Gain on derecognition of ROU asset	-	638
	718,804	883,519
31. CHANGE IN UNREALISED LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS		
- Equity securities	(17,987)	-
32. NET INSURANCE / TAKAFUL BENEFITS		
Gross claims		
Claims under individual policies / contracts		
- by death	(696,259)	(780,495)
- by insured event other than death	(13,521)	(3,823)
- by maturity	(9,214,096)	(7,416,398)
- by surrender	(14,260,267)	(10,713,500)
Total gross individual policy claims	(24,184,143)	(18,914,216)
Claims under group policies / contracts		
- by death	(554,211)	(508,936)
- by insured event other than death	(17,466)	(12,519)
Total gross group policy claims	(571,677)	(521,455)
Total gross claims	(24,755,820)	(19,435,671)
Less: reinsurance / retakaful recoveries		
- on individual life claims	81,829	130,378
- on group life claims	329,144	315,876
	410,973	446,254
Net insurance / takaful benefit expense (excluding claims related expenses)	(24,344,847)	(18,989,417)

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

32.1 Claim development table

32.1.1 Individual life claims

Incident year	Incident reported				
	2020	2021	2022	2023	2024
	----- (Rupees in '000) -----				
Estimate of ultimate claim costs:					
At the end of accident year	288,432	463,829	337,990	468,950	371,706
One year later	526,231	720,987	547,362	675,931	-
Two years later	550,771	783,041	572,726	-	-
Three years later	576,077	736,592	-	-	-
Four years later	565,097	-	-	-	-
Current estimate of cumulative claims	565,097	736,592	572,726	675,931	371,706
Less: cumulative payments to date	(565,097)	(733,103)	(561,132)	(600,933)	(242,177)
Liability recognised in the statement of financial position	-	3,489	11,594	74,998	129,529

32.1.2 Group life claims

Incident year	Incident reported				
	2020	2021	2022	2023	2024
	----- (Rupees in '000) -----				
Estimate of ultimate claim costs:					
At the end of accident year	559,852	343,327	285,806	395,621	450,745
One year later	662,492	405,755	383,069	509,757	-
Two years later	665,025	407,855	386,805	-	-
Three years later	666,525	408,820	-	-	-
Four years later	666,825	-	-	-	-
Current estimate of cumulative claims	666,825	408,820	386,805	509,757	450,745
Less: cumulative payments to date	(666,525)	(408,220)	(386,605)	(472,430)	(433,977)
Liability recognised in the statement of financial position	-	600	200	37,327	16,768

32.1.3 Insurance benefits unclaimed at year end

	Total	1-6 months	7-12 months	13-24 months	25-36 months	Beyond 36 months
	----- (Rupees in '000) -----					
For the year ended December 31, 2024						
Unclaimed maturity benefits	4,194,145	2,468,896	533,137	626,238	373,764	192,110
Unclaimed death benefits	96,349	36,676	13,494	11,426	1,822	32,931
Claims not encashed	166,032	166,032	-	-	-	-
	4,456,526	2,671,604	546,631	637,664	375,586	225,041

		2024	2023
	Note	------(Rupees in '000)-----	
33. ACQUISITION EXPENSES			
Remuneration to insurance / takaful intermediaries on individual policies / contracts:			
- Commission on first year premiums / contributions		(835,255)	(987,272)
- Commission on second year premiums / contributions		(124,298)	(140,567)
- Commission on subsequent years renewal premiums / contributions		(192,669)	(172,903)
- Commission on single premiums / contributions		(482,919)	(264,149)
- Other benefits to insurance / takaful intermediaries		(516,470)	(334,480)
		(2,151,611)	(1,899,371)
Remuneration to insurance / takaful intermediaries on group policies:			
- Commission		(22,257)	(20,866)
- Other benefits to insurance / takaful intermediaries		(2,397)	(4,568)
		(24,654)	(25,434)
Other acquisition costs			
- Employee benefit cost	33.1	(660,342)	(659,430)
- Car, fuel and maintenance		(87,153)	(102,560)
- Office repairs and maintenance		(86,508)	(69,298)
- Marketing cost		(84,889)	(124,676)
- Stamp duty		(62,292)	(49,696)
- Rent, rates and taxes		(57,500)	(57,099)
- Depreciation	5.3	(46,022)	(38,606)
- Electricity, gas and water		(36,957)	(32,245)
- Depreciation - Right of use asset	7.2	(31,107)	(22,768)
- Travelling expenses		(19,250)	(13,306)
- Entertainment		(15,319)	(18,782)
- Training and development		(13,656)	(8,456)
- Postage		(13,219)	(11,427)
- Legal and professional charges		(11,891)	(8,553)
- Financial charges		(11,275)	(8,248)
- Information technology expenses		(8,323)	(9,219)
- Printing and stationery		(4,758)	(4,824)
- Insurance cost		(4,750)	(3,438)
- Medical examination fee		(2,265)	(2,023)
- Write off against property and equipment		(32)	(4,518)
- Amortisation		(15)	-
- Miscellaneous		-	(159)
		(1,257,523)	(1,249,331)
		(3,433,788)	(3,174,136)

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

33.1 Employee benefit cost includes charges for post employment benefit of Rs. 10.243 million (December 31, 2023: Rs. 10.345 million).

	Note	2024	2023
------(Rupees in '000)-----			
34. MARKETING AND ADMINISTRATION EXPENSES			
Employee benefit cost	34.1 & 34.2	(685,585)	(542,240)
Information technology expenses		(122,206)	(107,022)
Postages, telegrams and telephone		(84,238)	(72,687)
Legal and professional charges		(71,733)	(44,606)
Advertisements and sales promotion		(59,165)	(52,162)
Office repairs and maintenance		(55,647)	(46,569)
Vehicle running expenses		(50,739)	(36,673)
Depreciation - Right of use asset	7.2	(45,113)	(35,230)
Annual supervision fee		(33,552)	(33,174)
Depreciation	5.3	(32,339)	(27,910)
Electricity, gas and water		(26,141)	(20,118)
Appointed actuary fees		(16,554)	(14,235)
Printing and stationery		(13,812)	(22,293)
Travelling expenses		(10,329)	(7,729)
Bank charges		(9,395)	(11,923)
Entertainment		(6,829)	(7,942)
Amortisation		(6,426)	(13,811)
Write off against property and equipment		(6,089)	(987)
Insurance cost		(4,721)	(2,798)
Miscellaneous		(2,246)	(7,350)
Rent, rates and taxes		(1,984)	(4,294)
Training and development		(1,670)	(1,618)
Directors' Fee		(850)	(1,135)
Provision for doubtful debts		-	(2,660)
		(1,347,363)	(1,117,166)
34.1 Employee benefit cost			
Salaries, allowances and other benefits		(653,097)	(506,886)
Charges for post employment benefit		(32,488)	(35,354)
		(685,585)	(542,240)
34.2			

34.2 Total number of employees as at December 31, 2024 are 1,797 (December 31, 2023: 1,802) which includes permanent and contractual employees. Average number of employees during period ended December 31, 2024 were 1,799 (December 31, 2023: 1,772).

	2024	2023
Note	------(Rupees in '000)-----	
35. OTHER EXPENSES		
Worker's welfare fund	(70,092)	-
Auditor's remuneration	35.1 (8,758)	(6,742)
Fee and subscription	(3,772)	(3,952)
Charity and donations	35.2 (1,631)	(1,054)
	<u>(84,253)</u>	<u>(11,748)</u>
35.1 Auditors' remuneration		
Annual audit fee	(3,057)	(2,067)
Annual audit fee - staff gratuity fund	(99)	-
Half yearly review	(1,092)	(707)
Annual review / half year review - Window Takaful Operations	(1,053)	(1,034)
Other certifications	(2,449)	(2,385)
Out of pocket expenses	(1,008)	(549)
	<u>(8,758)</u>	<u>(6,742)</u>
35.2 Charity and donations		
This represents the charity payable against purification of income of Sharia compliant securities.		
35.3	During the year, the Company paid charity to the following organisations above rupees five hundred thousand:	
	2024	2023
	------(Rupees in '000)-----	
The Kiran Foundation	509	-
The Hunar Foundation	500	-
Indus Hospital & Health Network	-	550
JDC Welfare Foundation of Pakistan	-	808
	<u>1,009</u>	<u>1,358</u>
36. FINANCE COSTS		
Interest expense on lease liabilities	(11,737)	(9,683)
	<u>(11,737)</u>	<u>(9,683)</u>
37. INCOME TAX EXPENSE		
For the year		
- Current	(396,386)	(382,192)
- Prior	-	23,361
- Deferred	(585,548)	(274,296)
	<u>(981,934)</u>	<u>(633,127)</u>

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

	2024	2023
37.1 Relationship between tax expense and accounting profit	----- (Rupees in '000) -----	
Profit before tax	2,536,239	1,541,202
Applicable tax at the rate of 29%	735,509	446,949
Effect of super tax on current year's profit	253,624	154,120
Effect of prior period tax charge	-	(23,361)
Effect of change in tax rates	-	68,481
Others	(7,199)	(13,062)
Tax expense for the year	<u>981,934</u>	<u>633,127</u>

37.2 The Company has not admitted super tax liability under section 4C of the Income Tax Ordinance, 2001 amounting to Rs. 98.7 million for the TY2024 in protest. However, the excess payment of Rs. 84.9 million for TY2024 and Rs. 13.8 million of TY2021 have been shown as refunds available to the liability, in case of any adverse outcome in the tax returns of respective years.

	2024	2023
38. EARNINGS PER SHARE	----- (Rupees in '000) -----	
Profit after tax for the year	<u>1,554,305</u>	<u>908,075</u>
	(Number of shares in '000)	
Weighted average number of ordinary share outstanding as at year end	<u>250,000</u>	<u>250,000</u>
	----- (Rupees) -----	
Basic earnings per share	<u>38.1 6.22</u>	<u>3.63</u>

38.1 There is no dilutive effect on basic earnings per share of the Company.

39 RELATED PARTIES

39.1 List of related parties

Name of related party	Relationship	% of Share holding
Adamjee Insurance Company Limited	Parent Company	89.99%
D.G. Khan Cement Company Limited	Common Directorship	0.39%
Nishat Mills Limited	Common Directorship	0.11%
MCB Bank Limited	Common Directorship	0.90%
Nishat Chunian Limited	Other Related Party	2.39%
Nishat Chunian Power Limited	Other Related Party	0.54%
Din Farm Products (Private) Limited	Common Directorship	-
Din Leather Private Limited	Common Directorship	-
Din Textile Mills Limited	Common Directorship	-
Emporium Properties (Private) Limited	Common Directorship	-
Golf View Land (Private) Limited	Common Directorship	-

Related party (continuation)		
Name of related party	Relationship	% of Share holding
Hyundai Nishat Motor (Private) Limited	Common Directorship	-
MCB Investment Management Limited	Group Entity	-
MCB Asset Management Company Limited	Group Entity	-
National Textile Foundation	Common Directorship	-
Nishat Agriculture Farming (Private) Limited	Common Directorship	-
Nishat Agrotech (Private) Limited	Common Directorship	-
Nishat Dairy (Private) Limited	Common Directorship	-
Nishat Developers (Private) Limited	Common Directorship	-
Nishat Hotels & Properties Limited	Common Directorship	-
Nishat Linen (Private) Limited	Common Directorship	-
Nishat Papers Products Company Limited.	Common Directorship	-
Nishat Sutas Dairy Limited	Common Directorship	-
Pakistan Aviators & Aviation	Group Entity	-
Pakgen Power Limited (Formerly Aes Pak Gen (Private) Company)	Common Directorship	-
Mr. Ahmad Alman Aslam	Director	-
Mr. Imran Maqbool	Director	-
Mr. Muhammad Ali Zeb	Director	-
Mr. Muhammad Umer Mansha	Director	-
Mr. S.M. Jawed	Director	-
Mr. Shahmeer Khalid Butt	Director	-
Mrs. Naz Mansha	Director	-
Next Commercial FZ-LCC (UAE)	Director as Officeholder	-
Next Health Services (Private) Limited	Director as Officeholder	-
Next Pharmaceuticals Products (Private) Limited	Director as Officeholder	-
Nishat (Aziz Avenue) Hotels & Properties Limited	Group Entity	-
Nishat (Raiwind) Hotels & Properties Limited	Group Entity	-
Lalpir Power Limited (Formerly As Lalpir (Private) Limited)	Group Entity	-
Lalpir Solar Power (Private) Limited	Group Entity	-
MCB Bank Limited - Provident Fund	Group Entity	-
MCB Islamic Bank Limited	Common Directorship	-
MCB Leasing Closed Joint Stock Company	Group Entity	-
Nishat (Gulberg) Hotels & Properties Limited	Group Entity	-
Nishat Automobile (Private) Limited	Group Entity	-
Nishat Commodities (Private) Limited	Group Entity	-
Nishat Farms Supplies (Private) Limited	Group Entity	-
Nishat Global China Company Limited	Group Entity	-
Nishat Hospitality (Private) Limited	Group Entity	-
Nishat International FZE	Group Entity	-
Nishat Linen Trading LLC	Group Entity	-
Nishat Power Limited	Group Entity	-

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

Related party (continuation) Name of related party	Relationship	% of Share holding
Nishat Real Estates Development Company (Private) Limited	Group Entity	-
Nishat UK (Private) Limited	Group Entity	-
Nishat USA Incorporated	Group Entity	-
Security General Insurance Company Limited	Group Entity	-
Adamjee Life Assurance Company Limited Employee Gratuity Fund	Other Related Party	-
MCB Non-Bank Credit Organization, CJSC, Azerbaijan	Other Related Party	-
Nishat Chunain Electric Company Limited	Other Related Party	-
Nishat Chunian USA Incorporated	Other Related Party	-
Din Energy Limited	Other Related Party	-
Din Power Limited	Other Related Party	-
Kanal (Private) Limited	Other Related Party	-
Din Ventures (Private) Limited	Other Related Party	-
Deposit Protection Corporation	Other Related Party	-
Export Import Bank of Pakistan	Other Related Party	-
Mr. Manzar Mushtaq	Senior Management	-
Mr. Jalal Meghani	Senior Management	-
Mr. Ali Haider	Senior Management	-
Mr. Bakht Jamal	Senior Management	-
Mr. Amin Nizar Ali	Senior Management	-
Mrs. Zehra Faiz	Senior Management	-
Mr. Absar Azeem Burney	Senior Management	-
Mr. Athar Chaudhry	Senior Management	-
Mr. Adeel Anwer	Senior Management	-
Mr. Asif Mirza	Senior Management	-
Mr. Imran Ali	Senior Management	-
Mr. Arsalan Ahmed Khan	Senior Management	-
Syed Sheraz Ali Bukhari	Senior Management	-
Muhammad Furqan Uddin	Senior Management	-
Syed Samad Ali Naqvi	Senior Management	-
Mrs. Rahila Ashraf	Senior Management	-
Muhammmad Amin Sheikh	Senior Management	-

39.2 RELATED PARTY TRANSACTIONS

The related parties comprise of the parent company, directors, key management personnel, associated undertakings, group companies, entities with common directors and staff gratuity fund. Related party transactions and balances, including those disclosed elsewhere in these financial statements are given below:

	2024	2023
	------(Rupees in '000)-----	
Transactions during the year		
Holding company		
Premium written	9,476	5,553
Insurance expense	38,526	34,863
Premises rental	67,941	61,068
Dividend paid	449,997	225,000
Rental income	2,813	2,988
Associated undertakings		
Premium / contribution written	519,107	88,626
Claims expense	263,314	64,170
Commission and other incentives in respect of bancassurance	1,371,326	1,263,006
Profit on bank deposits	573,457	500,849
Bank charges	8,626	11,376
Investments purchased	3,893,837	5,072,313
Investments sold	5,935,266	8,103,196
Dividend income	858,995	166,817
Dividend paid	18,236	9,174
Others	6,946	8,100
Other related parties		
Premium / contribution written	33,819	315,124
Claims expense	19,556	165,498
Investments purchased	220,358	411,341
Investments sold	364,763	556,339
Investment advisor fee	27,307	37,436
Dividend paid	7,228	12,886
Directors		
Fee	850	1,135
Dividend paid	4	-
Key management personnel		
Remuneration	271,531	199,100
Advances given to key management personnels	9,141	11,400
Recoveries against advances to key management personnels	7,841	3,350
Staff retirement benefit plan (gratuity fund)		
Charge / (income) for the year - OCI	46,184	(9,356)
Charge for the year	42,731	45,699
Balances outstanding as at the end of the year		
Holding company		
Insurance premium receivable	4	4
Claims and other payable	350	64

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

	2024	2023
	----- (Rupees in '000) -----	
Associated undertakings		
Premium / contribution due but unpaid	11,555	5,618
Bank deposits	5,955,836	2,596,696
Investments held	8,847,037	7,184,206
Dividend receivables	-	6,092
Commission payable	408,994	296,091
Claims payable	4,036	1,000
Premium received in advance	5,021	-
Other related parties		
Premium / contribution due but unpaid	3,744	5,792
Premium received in advance	130	-
Investment portfolio	-	8,109
Remuneration payable to trustee	-	1,421
Key management personnel		
Short term loans (as per policy)	6,384	8,050
Staff retirement benefit plan (gratuity fund)		
(Payable) / receivable to / from gratuity fund	(72,124)	11,791

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	----- (Rupees in '000) -----					
Fee	-	-	850	1,135	-	-
Managerial remuneration	20,928	19,026	-	-	359,376	271,796
Compensated absence	860	1,407	-	-	20,117	16,167
Bonus	9,513	5,405	-	-	107,650	53,615
Rent and house maintenance	8,371	7,610	-	-	143,751	108,718
Utilities	2,093	1,903	-	-	35,938	27,180
Medical	630	300	-	-	28,440	19,717
Conveyance, other allowances and benefits	90	420	-	-	124,739	101,167
	<u>42,485</u>	<u>36,071</u>	<u>850</u>	<u>1,135</u>	<u>820,011</u>	<u>598,360</u>
Number of persons	<u>1</u>	<u>1</u>	<u>6</u>	<u>7</u>	<u>279</u>	<u>226</u>

40.1 The Chief Executive Officer, Directors and certain Executives are also provided with free use of the Company cars and reimbursement of utilities in accordance with their entitlements.

41 SEGMENTAL INFORMATION

41.1 Revenue account by statutory fund
For the year ended December 31, 2024

Note	Statutory Funds						Total	
	Conventional Business	Accident and Health Business	Non-utilised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business		
	(Rupees in '000)							
Income								
Premiums / contributions less reinsurances / re-takaful	26	345,676	3,535	23,390	25,763,992	4,065,482	82,616	30,284,691
Rental income from investment property	8	-	-	-	2,813	-	-	2,813
Unrealised gain on investment property	8	-	-	-	89,406	-	-	89,406
Net investment income		212,405	200	350,410	21,550,550	3,635,322	43,715	25,792,602
Total net income		558,081	3,735	373,800	47,406,761	7,700,804	126,331	56,169,512
Insurance / takaful benefits and expenditures								
Insurance benefits including bonus net of reinsurance / retakaful		(204,131)	-	(789,195)	(20,748,007)	(2,566,842)	(41,832)	(24,350,007)
Management expenses less recoveries		(87,685)	(1,338)	(1,479)	(3,544,485)	(990,935)	(11,695)	(4,637,617)
Total insurance / takaful benefits and expenditures		(291,816)	(1,338)	(790,674)	(24,292,492)	(3,557,777)	(53,527)	(28,987,624)
Excess / (deficit) of income over insurance / takaful benefits and expenditures		266,265	2,397	(416,874)	23,114,269	4,143,027	72,804	27,181,888
Add: policyholders' liabilities at beginning of the year		261,143	1,324	1,315,617	62,792,011	11,702,085	110,754	76,182,934
Less: policyholders' liabilities at end of the year		305,092	1,652	745,074	84,817,811	15,466,070	140,066	101,475,765
Net change in insurance / takaful liabilities (other than outstanding claims)		(43,949)	(328)	570,543	(22,025,800)	(3,763,985)	(29,312)	(25,292,831)
Surplus after tax		222,316	2,069	153,669	1,088,469	379,042	43,492	1,889,057
Movement in policyholders' liabilities		43,949	328	(570,543)	22,025,800	3,763,985	29,312	25,292,831
Transfer (to) and from Shareholders Fund								
Surplus appropriated to shareholders fund		-	-	(75,000)	(300,000)	(125,000)	-	(500,000)
Receipt of Qard-e-Hasna to OSF from PTF		-	-	-	-	-	22,550	22,550
Refund of Qard-e-Hasna by PTF		-	-	-	-	-	(22,550)	(22,550)
Net transfer to Shareholder Fund		-	-	(75,000)	(300,000)	(125,000)	-	(500,000)
Balance of statutory funds at beginning of the year		552,047	2,872	1,377,738	64,058,048	12,112,926	160,871	78,264,502
Balance of statutory funds at end of the year		818,312	5,269	885,864	86,872,317	16,130,953	233,675	104,946,390
Represented by:								
Capital contribution by shareholders fund		327,515	1,511	-	-	-	35,630	364,656
Policyholders' liabilities		305,092	1,652	745,074	84,817,811	15,466,070	140,066	101,475,765
Retained earning on other than participating business		185,705	2,106	140,790	2,054,506	664,883	57,979	3,105,969
		818,312	5,269	885,864	86,872,317	16,130,953	233,675	104,946,390

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

SEGMENTAL INFORMATION

Revenue account by statutory fund
For the year ended December 31, 2023

Note	Statutory Funds						Total	
	Conventional Business	Accident and Health Business	Non-united Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business		
(Rupees in 000)								
Income								
	26	309,402	2,522	55,833	18,439,000	3,791,638	87,264	22,685,659
	8	-	-	-	2,988	-	-	2,988
	8	104,131	-	384,152	14,600,409	2,372,840	32,315	17,493,847
		413,533	2,522	439,985	33,042,397	6,164,478	119,579	40,182,494
Insurance / takaful benefits and expenditures								
		(151,607)	-	(674,904)	(16,486,731)	(1,627,269)	(56,492)	(18,997,003)
		(73,418)	(972)	(10,409)	(3,157,189)	(976,520)	(12,790)	(4,231,298)
		(225,025)	(972)	(685,313)	(19,643,920)	(2,603,789)	(69,282)	(23,228,301)
Excess of income / (deficit) over insurance / takaful benefits and expenditures								
		188,508	1,550	(245,328)	13,398,477	3,560,689	50,297	16,954,193
		184,544	363	1,624,485	50,023,081	8,385,691	68,000	60,286,164
		261,143	1,324	1,315,617	62,792,011	11,702,085	110,754	76,182,934
Net change in insurance / takaful liabilities (other than outstanding claims)								
		(76,599)	(961)	308,868	(12,768,930)	(3,316,394)	(42,754)	(15,896,770)
Surplus after tax								
		111,909	589	63,540	629,547	244,295	7,543	1,057,423
		76,599	961	(308,868)	12,768,930	3,316,394	42,754	15,896,770
Transfer (to) and from Shareholders Fund								
		-	-	(90,000)	(310,000)	(100,000)	-	(500,000)
		363,539	1,322	1,713,066	50,969,571	8,652,237	110,574	61,810,309
Balance of statutory funds at end of the year								
		552,047	2,872	1,377,738	64,058,048	12,112,926	160,871	78,264,502
Represented by:								
		327,515	1,511	-	-	-	35,630	364,656
		261,143	1,324	1,315,617	62,792,011	11,702,085	110,754	76,182,934
		(36,611)	37	62,121	1,266,037	410,841	14,487	1,716,912
		552,047	2,872	1,377,738	64,058,048	12,112,926	160,871	78,264,502

41.1.1 During the year, the Company has transferred Rs. 500 million from statutory fund to shareholders' fund, after taking the advice from the appointed actuary of the Company.

41.2 Segmental statement of financial position

	As at December 31, 2024		
	Statutory Funds	Shareholders' Fund	Total
----- (Rupees in '000) -----			
Property and equipment	-	235,496	235,496
Intangible assets	-	21,830	21,830
Right of use assets	87,800	578,658	666,460
Investment property	1,154,800	-	1,154,800
Investments			
Equity securities	14,620,180	587,772	15,207,952
Government securities	77,422,202	2,160,254	79,582,456
Debt securities	3,539,281	-	3,539,281
Open-ended mutual funds	7,131,749	290,015	7,421,764
Loan secured against life insurance policies	8,389	-	8,389
Insurance / takaful / reinsurance / retakaful receivables	61,437	-	61,437
Loans, advances and other receivables	1,632,018	36,183	1,668,201
Taxation - payment less provision	1,085,735	(524,309)	561,426
Prepayments	-	52,847	52,847
Cash and bank	5,368,123	877,791	6,245,914
Total assets	112,111,714	4,316,537	116,428,253
Insurance / takaful liabilities	106,352,404	-	106,352,404
Retirement benefit obligations	1,224	70,900	72,124
Deferred tax liability	1,212,198	5,619	1,217,817
Lease liabilities	71,661	589,242	660,903
Premium / contribution received in advance	1,347,412	-	1,347,412
Insurance / takaful / reinsurance / retakaful payables	147,557	-	147,557
Unclaimed dividends	-	104	104
Other creditors and accruals	719,847	477,356	1,197,203
Total liabilities	109,852,303	1,143,221	110,995,524
As at December 31, 2023			
	Statutory Funds	Shareholders Fund	Total
----- (Rupees in '000) -----			
Property and equipment	-	220,156	220,156
Intangible assets	-	25,906	25,906
Right of use asset	-	72,504	72,504
Investment property	1,065,394	-	1,065,394
Investments			
Equity securities	8,556,762	-	8,556,762
Government securities	58,521,485	2,844,198	61,365,683
Debt securities	3,629,033	-	3,629,033
Term deposits	75,000	-	75,000
Open-ended mutual funds	4,981,341	-	4,981,341
Loan secured against life insurance policies	35,975	-	35,975
Insurance / takaful / reinsurance / retakaful receivables	94,143	-	94,143
Loans, advances and other receivables	1,242,250	136,808	1,379,058
Taxation - payment less provision	992,572	(385,622)	606,950
Prepayments	7,642	47,527	55,169
Cash and bank	3,452,046	474,550	3,926,596
Total assets	82,653,643	3,436,027	86,089,670

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

	As at December 31, 2023		
	Statutory Funds	Shareholders Fund	Total
	----- (Rupees in '000) -----		
Insurance / takaful liabilities	79,559,988	-	79,559,988
Deferred tax liability	670,473	(13,177)	657,296
Lease liabilities	-	103,455	103,455
Premium / contribution received in advance	246,282	-	246,282
Insurance / takaful / reinsurance / retakaful payables	102,148	-	102,148
Unclaimed dividends	-	39	39
Other creditors and accruals	663,157	339,735	1,002,892
Total liabilities	81,242,048	430,052	81,672,100

41.3 Segmental results by line of business For the year ended December 31, 2024

	2024		
	Individual life distributed through banks	Other lines of business	Total
	----- (Rupees in 000) -----		
Income			
Gross premiums / contributions			
- First year individual regular premiums / contributions	2,098,679	707,493	2,806,172
- Individual renewal premiums / contributions	8,936,049	1,187,230	10,123,279
- Individual single premiums / contributions	16,835,667	251,020	17,086,687
- Group premiums / contributions	428	952,264	952,692
Total gross premiums / contributions	27,870,823	3,098,007	30,968,830
Reinsurance / retakaful premiums / contributions			
- Individual	(120,769)	(41,405)	(162,174)
- Group	-	(521,965)	(521,965)
Total reinsurance / retakaful premiums / contributions	(120,769)	(563,370)	(684,139)
Net premium revenue / contributions	27,750,054	2,534,637	30,284,691
Rental income from investment property	-	2,813	2,813
Net investment income	24,014,165	1,867,843	25,882,008
Total net income	51,764,219	4,405,293	56,169,512
Insurance / takaful benefits and expenditures			
Insurance benefits net of reinsurance / retakaful	(23,333,831)	(1,016,176)	(24,350,007)
Management expenses less recoveries	(1,857,930)	(2,779,687)	(4,637,617)
Total insurance / takaful benefits and expenditures	(25,191,761)	(3,795,863)	(28,987,624)
Excess of income over insurance / takaful benefits and expenditures	26,572,458	609,430	27,181,888
Add: policyholders' liabilities at beginning of year	71,751,636	4,431,298	76,182,934
Less: policyholders' liabilities at end of year	(94,973,618)	(6,502,147)	(101,475,765)
Surplus / (deficit) for the year	3,350,476	(1,461,419)	1,889,057

Segmental results by line of business For the year ended December 31, 2023	2023		
	Individual life distributed through banks	Other lines of business	Total
Income	----- (Rupees in '000) -----		
Gross premiums / contributions			
- First year individual regular premium / contribution	2,242,554	623,161	2,865,715
- Individual renewal premiums / contributions	9,292,556	1,054,970	10,347,526
- Individual single premiums / contributions	9,196,144	91,670	9,287,814
- Group premiums / contributions	-	849,773	849,773
Total gross premiums / contributions	20,731,254	2,619,574	23,350,828
Reinsurance / retakaful premiums / contributions			
- Individual	(206,625)	(38,551)	(245,176)
- Group	-	(419,993)	(419,993)
Total reinsurance / retakaful premiums / contributions	(206,625)	(458,544)	(665,169)
Net premium revenue / contributions	20,524,629	2,161,030	22,685,659
Rental income from investment property	-	2,988	2,988
Net investment income	16,353,230	1,140,617	17,493,847
Total net income	36,877,859	3,304,635	40,182,494
Insurance / takaful benefits and expenditures			
Insurance / takaful benefits net of reinsurance	(18,294,826)	(702,177)	(18,997,003)
Management expenses less recoveries	(2,052,681)	(2,178,617)	(4,231,298)
Total insurance / takaful benefits and expenditures	(20,347,507)	(2,880,794)	(23,228,301)
Excess of income over insurance / takaful benefits and expenditures	16,530,352	423,841	16,954,193
Add: policyholders' liabilities at beginning of year	57,338,943	2,947,221	60,286,164
Less: policyholders' liabilities at end of year	(71,751,636)	(4,431,298)	(76,182,934)
Surplus / (deficit) for the year	2,117,659	(1,060,236)	1,057,423

42. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through profit or loss	Investment property	Total
	----- (Rupees in '000) -----				
As at January 1, 2023	2,276,000	12,390	58,482,164	943,669	61,714,223
Additions	23,420,000	-	488,426,889	-	511,846,889
Disposals (sale and redemptions)	(25,621,000)	(12,390)	(471,661,629)	-	(497,295,019)
Fair value net gain (excluding net realised gains / losses)	-	-	3,285,395	121,725	3,407,120
As at December 31, 2023	75,000	-	78,532,819	1,065,394	79,673,213
As at January 1, 2024	75,000	-	78,532,819	1,065,394	79,673,213
Additions	-	235,096	281,253,172	-	281,488,268
Disposals (sale and redemptions)	(75,000)	-	(260,045,983)	-	(260,120,983)
Fair value net gain (excluding net realised gains / losses)	-	(17,987)	5,794,336	89,406	5,865,755
As at December 31, 2024	-	217,109	105,534,344	1,154,800	106,906,253

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

43. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

43.1 Financial risk management objectives and policies

The Company is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk in relation to the financial statements on its statement of financial position. The Company's overall risk management seeks to minimize potential adverse effects on the Company's financial performance of such risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

43.1.1 Market risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk with respect to its investments and with respect to products other than unit linked products (where the investment risk is passed on to policyholders). The Company limits market risk by maintaining a diversified portfolio and by continuously monitoring developments in government securities and equities.

43.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistan Rupees.

43.1.3 Other price risk

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

43.1.4 Equity price risk

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

Sensitivity Analysis

In case of 1% increase / (decrease) in PSX 100 index as at December 31, 2024, with all other variables held constant, the profit and loss and other comprehensive income / (loss) would have been increased / (decreased) by Rs. 224.12 million (2023: Rs. 135.38 million) and Rs. 2.17 million (2023: Nil) respectively as a result of gains / (losses) on equity securities. The analysis is based on the assumption that the equity index had increased / (decreased) by 1% with all other variables held constant and represents management's best estimate of a reasonable possible shift in PSX 100 index, having regard to the historical volatility of the index.

43.1.5 Interest rate risk

Interest rate sensitivity measures the degree with which a fixed-income asset price moves with changes in interest rates. Interest rates and fixed-income asset prices are inversely correlated. More interest rate sensitivity means an asset's price fluctuates more with a change in interest rates. The interest rate risk exposure is detailed in note 43.1.11.

Debt securities held to maturity as accounted for at amortised cost and their carrying amounts are not sensitive to changes in the levels of interest rates.

Management monitors the sensitivity of reported interest rate movements periodically by assessing the expected changes in the different portfolios due to parallel movement of 100 basis points in all yield curves.

- An increase in 100 basis points in interest yield would result in a loss of Rs. 831.22 million (2023: 649.95 million)
- A decrease in 100 basis points in interest yield would result in a gain of Rs. 831.22 million (2023: 649.95 million)

43.1.6 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 it encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Company is maintaining sufficient liquid assets both in the form of cash deposits and liquid securities to meet its long term and short term cash requirements.

43.1.7 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.

Concentration of credit risk arises when a number of counter parties have similar types of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in a similar manner. Major credit risk arises in credit exposure to group life policyholders on account of premiums / contribution due but unpaid and on bank balances.

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

The management monitors exposure to credit risk through regular review of credit exposure and assessing credit worthiness of counter parties. The maximum exposure to credit risk at the reporting date is:

	2024	2023
	------(Rupees in '000)-----	
Debt securities	3,539,281	3,629,033
Open-ended mutual funds	7,421,764	4,981,341
Loan secured against life insurance policies	8,389	35,975
Insurance / takaful / reinsurance / retakaful receivables	61,437	94,143
Term deposit	-	75,000
Loans and other receivables	1,603,880	1,361,720
Cash and bank	6,233,688	3,916,793
	<u>18,868,439</u>	<u>14,094,005</u>

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

	2024	2023
	------(Rupees in '000)-----	
<u>Ratings of Banks*</u>		
A	4,392	1,226,300
A-	5,672	5,346
A+	2,536,866	36,559
AA	13,942	116,829
AA-	3,001	1,114,570
AA+	105,727	20,324
AAA	3,564,088	1,471,865
	<u>6,233,688</u>	<u>3,991,793</u>

*Rating of banks performed by PACRA and VIS Credit Rating Company.

The credit quality of Company's exposure on TFCs and corporate sukuks can be assessed with reference to rating issued by rating agency as follows:

Issuer of TFC's / corporate sukuku **	Rating	2024	2023
		------(Rupees in '000)-----	
Askari Bank Limited VII - TFC	AA	99,500	99,500
Askari Bank Limited VI - TFC	AA-	100,000	100,000
Bank Al Habib Limited - TFC	AAA	959,223	952,300
Bank Alfalah Limited - TFC	AAA	-	99,433
Dubai Islamic Bank - Sukuk	AA-	22,044	22,132
Ghani Chemical Industries Limited - TFC	A	-	2,455
Habib Bank Limited II - TFC	AA+	50,000	50,000
Meezan Bank Limited - Sukuk	AA+	440,499	442,917
Meezan Bank Limited - Sukuk	AA+	504,101	501,250
Pakistan Energy - Sukuk II	AAA	580,730	575,173
Samba Bank Limited - TFC	Non - rated	424,405	423,953
The Bank of Punjab I - TFC	Non - rated	98,211	100,334
The Bank of Punjab II - TFC	AA-	260,568	259,586
		3,539,281	3,629,033

**Rating of issuers of TFCs and corporate sukuku performed by PACRA and VIS Credit Rating Company.

Investment in Government securities are not exposed to any credit risk.

43.1.8 Reinsurance risk

In order to minimise the financial exposuer arising from large claims, the Company, in the normal course of business, enters into agreement with other reinsurers.

Reinsurance ceded does not relieve the Company from its obligation to the policyholders and as a result, the Company remains liable for the portion of outstanding claims reinsured, to the extent that reinsurer fails to meet the obligation under the reinsurance agreements.

In order to manage this risk, the Company obtains reinsure covers only from companies with sound financial health.

43.1.9 Reconciliation of movements of liabilities to cash flows arising from financing activities

Financing activities comprise lease liabilities; therefore, the movement of lease liabilities has been disclosed in Note 22.

43.1.10 Capital Management

The Company goals and objectives when managing capital are:

- To comply with the minimum paid-up capital requirements as prescribed by SECP;
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefit for the other stakeholders;

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk;
- maintain strong ratings and to protect the Company against unexpected events / losses; and
- to ensure a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business.

As prescribed by SECP, the Company is required to maintain the minimum capital and to comply with the solvency requirements both for shareholders' and statutory funds in accordance with the Insurance Ordinance, 2000 and Insurance Rules, 2017 (previously the SEC (Insurance) Rules, 2002 as amended by S.R.O. 16 (1)/2012 dated January 9, 2012), with which the Company is in compliance (Refer Note 46).

43.1.11 Interest rate risk exposure

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 bank balances and 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 information about Company's exposure to interest rate risk based on contractual repricing or maturity dates as of December 31, 2024, whichever is earlier, is as follows:

On balance sheet financial instruments	2024						Total
	Interest / markup bearing			Non interest / non markup bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
(Rupees in '000)							
Assets							
Investments	39,766,225	43,355,512	83,121,737	22,629,716	-	22,629,716	105,751,453
Loan secured against life insurance / takaful policies	8,389	-	8,389	-	-	-	8,389
Insurance / takaful / reinsurance / retakaful receivables	-	-	-	61,437	-	61,437	61,437
Loans and other receivables	-	-	-	1,603,880	-	1,603,880	1,603,880
Term deposit	-	-	-	-	-	-	-
Cash and bank	5,869,647	-	5,869,647	364,373	-	364,373	6,234,020
	45,644,261	43,355,512	88,999,773	24,659,406	-	24,659,406	113,659,179
Liabilities							
Insurance / takaful liabilities	-	-	-	106,352,404	-	106,352,404	106,352,404
Lease liabilities	104,752	556,151	660,903	-	-	-	660,903
Insurance / takaful / reinsurance / retakaful payables	-	-	-	147,557	-	147,557	147,557
Other creditors and accruals	-	-	-	1,091,911	-	1,091,911	1,091,911
	104,752	556,151	660,903	107,591,872	-	107,591,872	108,252,775
	45,539,509	42,799,361	88,338,870	(82,932,466)	-	(82,932,466)	5,406,404

On balance sheet financial instruments	2023						Total
	Interest / markup bearing			Non interest / non markup bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
	(Rupees in '000)						
Assets							
Investments	58,248,717	6,820,999	65,069,716	13,538,103	-	13,538,103	78,607,819
Loan secured against life insurance / takaful policies	35,975	-	35,975	-	-	-	35,975
Insurance / takaful / reinsurance / retakaful receivables	-	-	-	94,143	-	94,143	94,143
Term deposit	75,000	-	75,000	-	-	-	75,000
Loans and other receivables	-	-	-	1,361,720	-	1,361,720	1,361,720
Cash and bank	3,689,030	-	3,689,030	228,380	-	228,380	3,917,410
	<u>62,048,722</u>	<u>6,820,999</u>	<u>68,869,721</u>	<u>15,222,346</u>	<u>-</u>	<u>15,222,346</u>	<u>84,092,067</u>
Liabilities							
Insurance / takaful liabilities	-	-	-	79,559,988	-	79,559,988	79,559,988
Lease liabilities	71,514	31,941	103,455	-	-	-	103,455
Insurance / takaful / reinsurance / retakaful payables	-	-	-	102,148	-	102,148	102,148
Other creditors and accruals	-	-	-	985,436	-	985,436	985,436
	<u>71,514</u>	<u>31,941</u>	<u>103,455</u>	<u>80,647,572</u>	<u>-</u>	<u>80,647,572</u>	<u>80,751,027</u>
	<u>61,977,208</u>	<u>6,789,058</u>	<u>68,766,266</u>	<u>(65,425,226)</u>	<u>-</u>	<u>(65,425,226)</u>	<u>3,341,040</u>

44. INSURANCE RISK AND MANAGEMENT OF INSURANCE RISK

44.1 Conventional business

44.1.1 Individual Life

The risk underwritten is mainly death and sometimes disability. The risk of death and disability will vary in degree by age, gender, occupation, income group and geographical location of the assured person. The Company's exposure to poor risks may lead to unexpectedly high severity and frequency in claims' experience. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The Company may also face the risk of poor investment return, inflation of business expenses and liquidity issues on amount invested in the fund. The Company faces the risk of under-pricing particularly due to the fact that majority of these contracts are long term. Additionally, the risk of poor persistency may result in the Company being unable to recover expenses incurred at policy acquisition.

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical underwriting policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure on any one insured person. The Company is developing and intends to eventually have a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency the Company applies quality controls on the standard of service provided to policyholders and has placed checks to control mis-selling and to track improvements in the standard of service provided to policyholders. For this, a regular monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company maintains adequate liquidity in its fund to cater for a potentially sudden and high cash requirement.

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Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country. However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above.

The amounts presented are showing total exposure of the Company including exposure in respect of riders attached to the main policies.

Benefits assured per life	Sum assured at the end of December 2024			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	2,874	2.08%	2,745	3.45%
200,001 - 400,000	3,232	2.34%	3,232	4.07%
400,001 - 800,000	23,975	17.39%	19,628	24.70%
800,001 - 1,000,000	43,310	31.41%	30,318	38.16%
More than 1,000,000	64,488	46.78%	23,529	29.61%
Total	137,879	100.00%	79,452	100.00%

Benefits assured per life	Sum assured at the end of December 2023			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-200,000	941	1.79%	585	1.45%
200,001 - 400,000	2,320	4.41%	1,437	3.57%
400,001 - 800,000	9,550	18.14%	6,672	16.58%
800,001 - 1,000,000	22,453	42.66%	22,136	55.02%
More than 1,000,000	17,373	33.01%	9,406	23.38%
Total	52,637	100.00%	40,236	100.00%

a) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long-term conventional assurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and morbidity incidence rates.

b) Factors impacting future benefit payments and premium receipts are as follows:

The Company assumes the expected mortality to be 80% of SLIC (2001-05). Morbidity incidence rates are taken as a percentage of reinsurer's risk premium rates.

Persistency: The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

c) Process used to decide on assumptions

For long-term conventional assurance contracts, long-term assumptions are made at the inception of the contract. Keeping the statutory minimum reserving basis in view, the Company determines assumptions on future mortality, morbidity, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

- **Mortality:** The Company assumes the expected mortality to be 80% of SLIC (2001-05).
- **Persistency:** The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.
- **Expense levels and inflation:** A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- **Investment returns:** The investment returns are based on the historic performance of the assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

e) Sensitivity analysis

After reinsurance, the overall liability for individual life conventional business stands at less than 1% of the total policyholder liability held in respect of individual life business. Due to its immateriality, sensitivity analysis has not been conducted.

44.1.2 Group Life

The main risk written by the Company is mortality. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The Company also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The Company manages these risks through underwriting, reinsurance, effective claims handling and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the Company. The premium charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The management undertakes to write business in line with the limits set by the appointed actuary, especially for large groups having a group assurance policy with annual premium of Rs 2 million or above in

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accordance with the requirements of Circular 11 of 2013 dated June 14, 2013. The Company also maintains a Management Information System (MIS) to track the adequacy of the premium charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure to any one life.

The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of premium at a minimum, especially the ones that are due for more than 90 days. The bulk of the assets held against liabilities of this line of business are cash to money market with short durations and high liquidity, thus mitigating the risk of asset value deterioration and liability mismatch.

a) Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above.

The amounts presented are showing total exposure of the Company including exposure in respect of riders attached to the main policies.

Benefits assured per life	Sum assured at the end of December 2024			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 500,000	50,503,576	5.11%	50,270,506	13.96%
500,001 - 1,000,000	261,981,734	26.50%	165,993,290	46.11%
1,000,001 - 1,500,000	68,513,740	6.93%	38,965,854	10.82%
1,500,001 - 2,000,000	97,503,390	9.86%	37,535,071	10.43%
More than 2,000,000	510,248,998	51.61%	67,259,535	18.68%
Total	988,751,438	100.00%	360,024,256	100.00%

Benefits assured per life	Sum assured at the end of December 2023			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 500,000	46,344,579	5.87%	46,222,997	16.15%
500,001 - 1,000,000	223,045,075	28.26%	137,029,070	47.88%
1,000,001 - 1,500,000	30,209,718	3.83%	18,687,836	6.53%
1,500,001 - 2,000,000	71,643,947	9.08%	30,445,500	10.64%
More than 2,000,000	418,136,695	52.97%	53,784,000	18.79%
Total	789,380,014	100.00%	286,169,403	100.00%

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

Industry experience, the insured group's own past experience and reinsurer risk rates are used to determine the expected level of risk in relation to the SLIC (2001-05) Individual Life Ultimate Mortality Table.

d) Changes in assumptions

There are no changes in assumptions.

e) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in variable	Increase in liability 2024 (Rupees in '000)
Worsening of mortality rates for risk policies	+10% pa	5,894
Increase in reporting lag	+10% pa	5,894

44.2 Non utilised Investment Linked Business

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary in degree by age, gender, occupation, income group and geographical location of the insured person. The Company's exposure to poor risks may lead to unexpectedly high severity and frequency in claims' experience. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The Company may also face the risk of poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund. The Company faces the risk of under-pricing particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency may result in the Company being unable to recover expenses incurred at policy acquisition.

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical underwriting policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure on any one insured person. The Company is developing and intends to eventually have a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency the Company applies quality controls on the standard of service provided to policyholders and has placed checks to control mis-selling and to track improvements in the standard of service provided to policyholders. For this, a regular monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, Claims Committee

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with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Company maintains adequate liquidity in its fund to cater for a potentially sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company reserves the right to review the charges deductible under the contracts, thus limiting the risk of under pricing.

a) Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Company charges for mortality risk on a monthly basis for all insurance contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may hinder its mitigating effect. The Company manages these risks through its underwriting strategy and reinsurance arrangements.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above.

The amounts presented are showing total exposure of the Company including exposure in respect of riders attached to the main policies.

Benefits assured per life Rupees	Sum assured at the end of December 2024			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	1,523	0.89%	1,107	2.04%
200,001 - 400,000	13,224	7.70%	5,531	10.20%
400,001 - 800,000	54,319	31.65%	17,985	33.15%
800,001 - 1,000,000	36,551	21.29%	11,665	21.50%
More than 1,000,000	66,029	38.47%	17,961	33.11%
Total	171,646	100.00%	54,249	100.00%

Benefits assured per life Rupees	Sum assured at the end of December 2023			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	26,503	6.63%	8,086	6.85%
200,001 - 400,000	91,188	22.79%	28,767	24.36%
400,001 - 800,000	133,630	33.40%	41,614	35.24%
800,001 - 1,000,000	82,676	20.67%	27,034	22.89%
More than 1,000,000	66,044	16.51%	12,586	10.66%
Total	400,041	100.00%	118,087	100.00%

b) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long-term non-unitised investment linked assurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and morbidity of the insured population and variability in policyholders' behaviour.

Factors impacting future benefit payments and premium receipts are as follows:

- **Mortality:** The expected mortality is assumed to be 80% of SLIC (2001-05)
- **Persistency:** The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

c) Process used to decide on assumptions

For long-term non-unitised investment linked assurance contracts, assumptions are made in two stages. At inception of the contract, the Company determines assumptions on future mortality, morbidity, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

- **Mortality:** The Company assumes the expected mortality to be 80% of SLIC (2001-05).
- **Persistency:** The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.
- **Expense levels and inflation:** A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- **Investment returns:** The investment returns are based on the historic performance of the assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

e) Sensitivity analysis

After reinsurance, the overall liability for non unitised investment linked business stands at less than 1% of the total

policyholder liability. Due to its immateriality, sensitivity analysis has not been conducted.

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44.3 Unit Linked Business

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary from region to region. The Company may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The Company may also face the risk of poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund. The Company faces the risk of under-pricing particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency may result in the Company being unable to recover expenses incurred at policy acquisition.

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure on any one policyholder. The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency the Company applies quality controls on the standard of service provided to policyholders and has placed checks to curb mis-selling and improvement in standard of service provided to the policyholders. For this, a regular branch wise monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Company maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company reserves the right to review the charges deductible under the contracts, thus limiting the risk of under pricing.

Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Company charges for mortality risk on a monthly basis for all insurance contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may hinder its mitigating effect. The Company manages these risks through its underwriting strategy and reinsurance arrangements.

The table below presents the concentration of insured benefits across five bands of insured benefits per individual life assured. The benefit insured figures are shown gross and net of the reinsurance contracts described above.

The amounts presented are showing total exposure of the Company including exposure in respect of riders attached to the main policies.

Benefits assured per life	Sum assured at the end of December 2024			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-200,000	4,607,312	5.57%	4,170,473	7.93%
200,001 - 400,000	11,463,473	13.85%	10,499,578	19.95%
400,001 - 800,000	19,824,107	23.95%	17,112,174	32.52%
800,001 - 1,000,000	11,862,102	14.33%	8,028,319	15.26%
More than 1,000,000	35,002,154	42.29%	12,810,439	24.34%
Total	82,759,148	100.00%	52,620,983	100.00%

Benefits assured per life	Sum assured at the end of December 2023			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-200,000	2,317,075	2.35%	1,971,637	3.18%
200,001 - 400,000	11,791,246	11.94%	10,420,589	16.81%
400,001 - 800,000	26,250,897	26.58%	22,937,297	37.00%
800,001 - 1,000,000	23,886,107	24.19%	15,880,617	25.62%
More than 1,000,000	34,510,711	34.95%	10,780,327	17.39%
Total	98,756,036	100.00%	61,990,467	100.00%

a) Sources of uncertainty in the estimation of future benefit payments and premium receipts

Uncertainty in the estimation of future benefit payments and premium receipts for long-term unit linked insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder's behaviour.

b) Factors impacting future benefit payments and premium receipts are as follows:

Mortality: The expected mortality is assumed to be 80% of SLIC (2001-05)

Persistency: The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

c) Process used to decide on assumptions

For long-term unit linked insurance contracts, assumptions are made in two stages. At inception of the contract, the Company determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

Mortality: The Company assumes the expected mortality to be 80% of SLIC (2001-05)

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Persistency: The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

Expense levels and inflation: As the business is new, estimates from business projections have been used. Once established, a periodic study will be conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.

Investment returns: The investment returns are based on the historic performance of the assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

44.4 Individual Family Takaful Unit Linked Business

The risk covered is mainly death and sometimes disability and / or critical illness. The risk of death and disability will vary from region to region. The PTF may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The PTF may also face the risk of poor investment return, and liquidity issues on monies invested in the fund. The PTF faces the risk of inadequacy of the Mortality Charge (Takaful Contribution) particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency can lead to an impact on the size of the PTF. A larger PTF may allow for a greater degree of cross subsidization of Mortality Risk, increasing the probability of convergence between actual and expected Mortality experience.

The Company manages these risks through its underwriting, retakaful, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids issuing cover to high risk individuals. This puts a check on anti-selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of contribution charged for risk underwritten by the PTF. Retakaful contracts have been purchased by the Company to limit the maximum exposure on any one participant. The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency, the Company applies quality controls on the standard of service provided to Participants of the PTF and has placed checks to curb mis-selling and improvement in the standard of customer service. For this, a regular branch wise monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, a Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Company maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company reserves the right to review the Takaful Contributions deductible under the contracts, thus limiting the risk of under pricing.

Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Company charges for mortality risk on a monthly basis for all Takaful contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may hinder its mitigating effect. The Company manages these risks through its underwriting strategy and retakaful arrangements.

The table below presents the concentration of covered benefits across five bands of covered benefits per participant. The benefit covered figures are shown gross and net of the retakaful contracts described above.

The amounts presented are showing total exposure of the PTF including exposure in respect of riders attached to the main policies.

Benefits covered per life	Sum assured at the end of December 2024			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	1,437,350	3.50%	1,431,011	5.88%
200,001 - 400,000	3,636,377	8.85%	3,624,825	14.91%
400,001 - 800,000	7,252,454	17.65%	6,764,273	27.81%
800,001 - 1,000,000	4,284,593	10.43%	3,188,438	13.11%
More than 1,000,000	24,487,486	59.58%	9,310,683	38.29%
Total	41,098,260	100.00%	24,319,230	100.00%

Benefits covered per life	Sum assured at the end of December 2023			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	714,077	1.62%	710,393	2.66%
200,001 - 400,000	3,718,603	8.46%	3,705,750	13.89%
400,001 - 800,000	9,977,389	22.70%	9,575,599	35.90%
800,001 - 1,000,000	9,176,454	20.87%	6,662,523	24.98%
More than 1,000,000	20,376,378	46.35%	6,022,015	22.57%
Total	43,962,901	100.00%	26,676,280	100.00%

a) Sources of uncertainty in the estimation of future benefit payments and contribution receipts

Uncertainty in the estimation of future benefit payments and contribution receipts for long-term unit linked takaful policies arises from the unpredictability of long-term changes in overall levels of mortality and variability in participant's behaviour.

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b) Factors impacting future benefit payments and contribution receipts are as follows:

Mortality: The expected mortality is assumed to be 80% of SLIC (2001-05).

Persistency: The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

c) Process used to decide on assumptions

For long-term unit linked takaful contracts, assumptions are made in two stages. At inception of the contract, the Company determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

Mortality: The Company assumes the expected mortality to be 80% of SLIC (2001-05)

Persistency: The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

Expense levels and inflation: A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.

Investment returns: The investment returns are based on the historic performance of the assets and asset types underlying the fund.

e) Changes in assumptions

There are no changes in assumptions.

44.5 Group Life Family Takaful

The main exposure of the PTF is to mortality risk. The PTF may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality, writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The PTF also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of takaful contributions in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The Company manages these risks through underwriting, retakaful, effective claims handling and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done using the retakaful rates. The contribution charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Company also maintains an MIS to track the adequacy of the takaful contribution charged. Retakaful contracts have been purchased by the Company to limit the

maximum mortality exposure of any one covered person. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. Strict monitoring is in place in order to keep the outstanding balances of contribution at a minimum, especially the ones that are due for more than 90 days. The bulk of the assets held against liabilities of this line of business are cash to money market with short durations and high liquidity, thus mitigating the risk of asset value deterioration and liability mismatch.

Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

The table below presents the concentration of covered benefits across five bands of covered benefits per participant. The benefit covered figures are shown gross and net of the retakaful contracts described above.

The amounts presented are showing total exposure of the PTF including exposure in respect of riders attached to the main policies.

Benefits covered per Participant	Sum assured at the end of December 2024			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 500,000	20,535,779	17.50%	19,764,720	34.24%
500,001-1,000,000	29,973,832	25.54%	21,397,329	37.07%
1,000,001-1,500,000	9,336,854	7.96%	4,568,500	7.91%
1,500,001-2,000,000	6,135,219	5.23%	2,072,500	3.59%
More than 2,000,000	51,374,866	43.78%	9,925,500	17.19%
Total	117,356,550	100.00%	57,728,549	100.00%

Benefits covered per Participant	Sum assured at the end of December 2023			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 500,000	19,686,582	18.46%	16,610,106	29.14%
500,001 - 1,000,000	25,582,096	23.99%	18,939,497	33.22%
1,000,001 - 1,500,000	5,820,659	5.46%	2,958,381	5.19%
1,500,001 - 2,000,000	4,590,755	4.31%	2,014,673	3.53%
More than 2,000,000	50,941,012	47.78%	16,483,724	28.92%
Total	106,621,104	100.00%	57,006,381	100.00%

a) Sources of uncertainty in the estimation of future benefit payments and contribution receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

b) Process used to decide on assumptions

The business is too new for any meaningful investigation into the group's past experience. However, industry experience, the insured group's own past experience and retakaful risk rates are used to determine the expected level of risk in relation to the SLIC (2001-05) Individual Life Ultimate Mortality Table.

c) Changes in assumptions

There are no changes in assumptions.

d) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in variable	Increase in liability 2024 (Rupees in '000)
Worsening of mortality rates for risk policies	+10% pa	834
Increase in reporting lag	+10% pa	834

44.6 Liability Adequacy Test

Liability adequacy test is applied to all long term contracts. Liability adequacy test is carried out using current best estimates of assumptions and future net cash flows, including premiums receivable, benefits payable and investment income from related assets.

To determine the adequacy of liabilities, assumptions must be based on realistic best estimates. We have compared our valuation mortality assumption (SLIC mortality table) with the mortality of developing Asian countries, namely: India and Malaysia. The comparison suggests that the best estimate assumption is better than the experience reflected in SLIC mortality table.

The investment return assumed for valuation is 3.75% per annum. This rate is prescribed by law. We have valued our liabilities based on the 10-Year PIB rate of 12.7989% to determine adequacy.

The table below compares total policyholder liabilities in Unit Linked Business, Non unitised Investment Linked Business, Individual Life Conventional business and Individual Family Takaful Unit Linked Business under existing valuation basis with policyholder liabilities calculated using best estimate assumptions:

Assumptions	Policyholder liabilities on existing valuation basis	Policyholder liabilities using best estimate assumptions (Rupees in '000)
Mortality	100,881,042	100,826,424
Investment Returns	100,881,042	100,872,396

The liabilities evaluated under the assumptions suggest the recognised liabilities are adequate and no further provision is required.

45 FAIR VALUE MEASUREMENT

The table below analyses assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

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.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	As at December 31, 2024								
	Carrying value				Fair value				
	Available for sale	Fair value through profit or loss	Loans and receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
Financial assets measured at fair value									
- Investments									
Government securities (T-bills + PIBs + Sukuks)	-	79,582,456	-	-	79,582,456	-	79,582,456	-	79,582,456
Equity securities	217,109	14,990,843	-	-	15,207,952	15,207,952	-	-	15,207,952
Open-ended mutual funds	-	7,421,764	-	-	7,421,764	7,421,764	-	-	7,421,764
Debt securities (listed TFCs / corporate sukuks)	-	3,539,281	-	-	3,539,281	-	3,539,281	-	3,539,281
Non-financial assets measured at fair value									
- Investment property	-	1,154,800	-	-	1,154,800	-	1,154,800	-	1,154,800
Financial assets not measured at fair value									
Loan secured against life insurance policies	-	-	8,389	-	8,389				
Insurance / takaful / reinsurance / retakaful receivables	-	-	61,437	-	61,437				
Loans and other receivables	-	-	1,603,880	-	1,603,880				
Cash and bank	-	-	6,234,020	-	6,234,020				
Term deposit	-	-	-	-	-				
	217,109	106,689,144	7,907,726	-	114,813,979				
Financial liabilities measured at fair value									
- Insurance / takaful liabilities (Investment component of unit-linked and account value policies)	-	-	-	99,728,428	99,728,428	-	99,728,428	-	99,728,428
Financial liabilities not measured at fair value									
- Insurance / takaful / reinsurance / retakaful payables	-	-	-	147,557	147,557				
- Unclaimed dividends	-	-	-	104	104				
- Other creditors and accruals	-	-	-	1,162,003	1,162,003				
	-	-	-	101,038,092	101,038,092				

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

		As at December 31, 2023							
		Carrying value			Fair value				
Available for sale	Fair value through profit or loss	Loans and receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----									
Financial assets measured at fair value									
- Investments									
Government securities (T-bills + PIBs + Sukuks)	-	61,365,683	-	-	61,365,683	-	61,365,683	-	61,365,683
Equity securities	-	8,556,762	-	-	8,556,762	8,556,762	-	-	8,556,762
Open-ended mutual funds	-	4,981,341	-	-	4,981,341	-	4,981,341	-	4,981,341
Debt securities (listed TFCs / corporate sukuks)	-	3,629,033	-	-	3,629,033	-	3,629,033	-	3,629,033
Non-financial assets measured at fair value									
- Investment property	-	1,065,394	-	-	1,065,394	-	1,065,394	-	1,065,394
Financial assets not measured at fair value									
Loan secured against life insurance policies	-	-	35,975	-	35,975	-	-	-	35,975
Insurance / takaful / reinsurance / retakaful receivables	-	-	94,143	-	94,143	-	-	-	94,143
Loans and other receivables	-	-	1,373,511	-	1,373,511	-	-	-	1,373,511
Cash and bank	-	-	3,917,410	-	3,917,410	-	-	-	3,917,410
Term deposit	-	-	75,000	-	75,000	-	-	-	75,000
	-	79,598,213	5,496,039	-	85,094,252	-	-	-	85,094,252
Financial liabilities measured at fair value									
- Insurance / takaful liabilities									
(Investment component of unit-linked and account value policies)	-	-	-	74,570,484	74,570,484	-	74,570,484	-	74,570,484
Financial liabilities not measured at fair value									
- Insurance / takaful / reinsurance / retakaful payables									
	-	-	-	102,148	102,148	-	-	-	102,148
- Unclaimed dividends	-	-	-	39	39	-	-	-	39
- Other creditors and accruals	-	-	-	985,436	985,436	-	-	-	985,436
	-	-	-	75,658,107	75,658,107	-	-	-	75,658,107

45.1 The Company has not disclosed fair values of few of the above mentioned financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

46. Statement of Solvency

Particulars	Shareholders' Conventional	Accident	Non-united	Unit Linked	Individual	Group
	Fund	Fund	and Health	Investment	Family	Family
			Business	Link	Takaful Unit	Takaful
			Business	Business	Linked	Business
					Business	
(Rupees in 000)						
Assets						
Property and equipment	235,496	-	-	-	-	-
Right of use assets	578,660	-	-	-	87,800	-
Intangible assets	21,830	-	-	-	-	-
Investment property	-	-	-	-	1,154,800	-
Investments						
Listed equity securities and units of mutual funds	877,787	191,480	-	552	16,460,973	5,057,664
Government securities	2,197,968	792,481	5,284	1,144,093	68,119,084	8,657,843
Debt securities	-	-	-	90,410	3,186,539	262,332
Open-ended mutual funds	-	-	-	-	-	-
Loans secured against life insurance/Takaful policies	-	-	-	4,982	3,407	-
Insurance / takaful / reinsurance / retakaful receivables	-	32,873	-	313	-	22,084
Other loans and receivables	120,767	5,100	18	-	168,570	69,502
Deferred taxation	-	-	-	-	-	-
Taxation - payments less provision	-	749	-	33,840	860,877	189,905
Prepayments	52,847	-	-	-	-	-
Cash and Bank	877,791	67,840	2,876	29,759	2,653,627	40,131
Total Assets (A)	4,963,146	1,090,523	8,178	1,303,949	92,607,877	16,898,936
Inadmissible assets as per following clauses of section 32 (2) of Insurance Ordinance, 2000						
- Inter-fund	-	-	-	-	(94,219)	(28,051)
- Assets in excess of prescribed limit	(19,448)	-	(34)	-	-	(1,549)
- Loan to employees	(20,078)	-	-	-	-	(2,797)
- Premiums more than 90 days	-	(30,123)	-	-	-	(12,736)
- Intangible assets	(17,391)	-	-	-	-	-
- Excess of lease assets from corresponding liability (SRO1012(I)/ 2022	-	-	-	-	-	(16,139)
- Tangible fixed assets	(239,934)	-	-	-	-	-
Total of inadmissible assets (B)	(296,851)	(30,123)	(34)	-	(94,219)	(46,987)
Total admissible assets (C = A-B)	4,666,295	1,060,400	8,144	1,303,949	92,513,658	16,851,949
Total liabilities						
Insurance / takaful liabilities net of reinsurance / retakaful recoveries	-	26,762	-	412,785	4,095,656	288,539
Retirement benefit obligations	70,900	-	-	-	-	1,224
Deferred taxation	5,619	-	-	-	-	-
Liability against lease	589,242	-	-	-	-	-
Premium received in advance (Insurance / takaful) / (reinsurance / retakaful) payables	-	68,404	30	4,729	1,104,127	163,167
Other creditors and accruals	599,557	7,955	2,879	571	532,121	295,829
Taxation - provision less payments	524,026	-	-	-	-	-
Total liabilities (D)	1,789,344	272,196	2,909	418,085	5,735,562	767,483
Total net admissible assets (E = C-D)	2,876,951	788,204	5,235	885,864	86,778,096	16,084,466
Minimum solvency requirement						
Shareholders' fund	(165,000)	-	-	-	-	-
Policyholders liability	-	(305,092)	(1,652)	(745,074)	(84,817,811)	(15,466,070)
Solvency Margin	-	(137,305)	(642)	(19,729)	(885,084)	(169,615)
Excess net admissible assets over minimum requirements	2,711,951	345,807	2,941	121,061	1,075,201	448,781
						25,176

Notes to and forming part of the Financial Statements

For the year ended December 31, 2024

47. SUBSEQUENT EVENTS

The Board of directors in its meeting held on February 25, 2025 proposed a cash dividend of Rs.1 per share (2023: Rs.1 per share) amounting to Rs. 250 million (2023: Rs. 250 million) subject to approval of the members in the forthcoming annual general meeting of the Company. These financial statements do not recognise the proposed final cash dividend which will be recognised in the subsequent financial statements of 2025.

48. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on February 25, 2025.



S. Muhammad Jawed
Chairman



Muhammad Ali Zeb
Director



Shahmeer Khalid Butt
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Statement of Appointed Actuary

As per Section 52(2) (a) & (b) of Insurance Ordinance 2000

For the year ended December 31, 2024

In my opinion,

- (a) the policyholder liabilities included in the balance sheet of Adamjee Life Assurance Company Limited as at 31st December 2024 have been determined in accordance with the provisions of the Insurance Ordinance 2000;
- (b) each statutory fund of Adamjee Life Assurance Company Limited complies with the solvency requirements of the Insurance Ordinance 2000 as applicable on 31st December 2024.

Signed
Name:



Arif Rasool
Fellow Pakistan Society of Actuaries
Fellow Institute of Actuaries, UK

Dated: 11th February 2025

Financial Statements

Window Takaful





Sharia Advisor Profile



Dr. Mufti Muhammad Zubair Usmani

Shariah Advisor

Dr. Muhammad Zubair Usmani is a qualified and one of the most experienced Shariah Scholars in the Islamic Banking Industry. He did his Shariah graduation (Fazil Dars-e-Nizami) & Takhassus Fil Fiqh (Mufti i.e. Specialization in Islamic Fiqh & Fatawa) from Jamia Dar ul Uloom, Karachi. He has done Masters in International Relations and Doctorate (PhD) in Islamic Finance from University of Karachi. Dr. Zubair Usmani is author of several books including related to Accounting & Auditing for Islamic Financial system, comparative study between Islam and Christianity and Ijarah (Islamic Leasing). His research papers have been published in various international journals. He has delivered research based lectures / presentations at different national and international seminars, forums, and conferences and has been associated with several financial institutions; he has also served as a member of Shariah Board of State Bank of Pakistan. Currently he is associated with HBL as a Chairman Shariah Board, MCB Arif Habib Islamic Fund as a Shariah Board Member, Adamjee Life Assurance Company Ltd. Window Takaful operations as a Shariah Advisor, Askari Life as a Shariah Advisor, and Pak Qatar Asset Management as a Shariah Advisor.

Management's Statement of Compliance with Shariah Principles

As at December 31, 2024



MANAGEMENT'S STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

YEAR ENDED DECEMBER 31, 2024

The financial arrangements, contracts and transactions, entered into by Adamjee Life Assurance Company Limited- Window Takaful Operations (the Company) for the period from January 1, 2024 to December 31, 2024 are in compliance with the Takaful Rules, 2012.

Further, we confirm that:

- The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shari'ah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit committee/ Shari'ah Advisor and the Board of Directors have been implemented;
- The Company has imparted trainings/ orientations and ensured availability of all manuals/ agreements approved by Shariah Advisor/ Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;
- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transaction, entered into by Window Takaful Operations are in accordance with the policies approved by Shariah Advisor.
- The assets and liabilities of Window Takaful Operations (Participant Takaful Fund and Operator's Sub Fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

This has been duly confirmed by the Shari'ah Advisor of the Company.

A handwritten signature in blue ink that reads 'Manzar Mushtaq'.

Manzar Mushtaq

Chief Executive Officer

Independent Reasonable Assurance Report to the Board of Directors on the Management's Statement of Compliance with the Shariah Principles

We were engaged by the Board of Directors of Adamjee Life Assurance Company Limited ("the Company") to report on the annexed Statement of Compliance (the Statement) with the Shariah Principles of the Window Takaful Operations (Takaful Operations) of the Company, as set out in the annexed Statement prepared by the management for the year ended 31 December 2024, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the Statement presents fairly the status for the year ended 31 December 2024 of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Responsibilities of the Management

The management of the Company is responsible for designing, implementing, and maintaining internal controls relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012 and other applicable laws and regulations.

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. It is also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibilities

Our responsibility is to examine the annexed statement prepared by management and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of 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), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of non-compliances with the Takaful Rules, 2012, whether due to fraud or error.

In making those risk assessments, we have considered internal controls relevant to the preparation of the Statement in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation of the Statement. Our engagement also included assessing the appropriateness of the compliance with Shariah Principles, the suitability of the criteria used by the management in

preparing the Statement in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the Statement and the reasonableness of estimates made by the management and evaluating the overall presentation of the Statement. Reasonable assurance is less than absolute assurance.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

The procedures performed included:

- Evaluating the systems, procedures and practices in place with respect to the Takaful operations in compliance with the Takaful Rules, 2012 and Shariah advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status relating to Takaful Operations to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors;
- Testing transactions relating to Takaful operations, using an appropriate sample, to assess compliance of tested transactions carried out in compliance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012;
- Inspecting the Statement to assess whether it is prepared in accordance with Shariah Principles of Takaful Rules, 2012; and
- In performing our assurance procedures, necessary guidance on Shariah matters was provided by independent Shariah scholar.

Characteristics and Limitations of the Statement

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the annexed statement, for the year ended 31 December 2024, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Place: Karachi
Date: March 27, 2025



KPMG Taseer Hadi & Co.
Chartered Accountants

Shariah Advisor's Report to the Board of Directors

As at December 31, 2024



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Shariah Advisor's Report to the Board of Directors for the year ended 31st December, 2024

I have examined the financial statements and transactions of Window Takaful Operation of the Adamjee Life Assurance Company Limited (hereafter referred to as "the Company") for the year ended 31st December 2024.

I acknowledge that being Shariah Advisor of the Company for its Window Takaful Operations, it is my responsibility to ensure that the financial arrangements, contracts and transactions entered into by the Company with its participants and stakeholders are in compliance with the requirements of Shariah rules & principles. It is the responsibility of company's management to ensure that the rules, principles and guidelines set by the Shariah Advisor are complied with, and that all policies and services being offered are duly approved by the Shariah Advisor.

Shariah Compliance Officer conducted the Shariah Compliance Review (SCR) for the year 2024 with the consultation of the Shariah Advisor. The primary scope of Shariah Compliance review (SCR) was to ensure that the company has complied with all Shariah principles, rules and guidelines. Shariah Compliance review also included the examination of the appropriate evidence of transactions undertaken by the company during the year 2024.

However, I have reviewed the affairs of the Company with the coordination of Shariah compliance officer in accordance with Shariah principles and Takaful Rules 2012. In my opinion, and to the best of my understanding, based on the provided information and explanations, below are my findings:

- (i) Financial transactions undertaken by the Company for the Year ended 31st December 2024 pertaining to Window Takaful Operations were in accordance with guidelines issued by Shariah Advisor as well as the requirements of Takaful Rules 2012.

A handwritten signature in black ink, consisting of a stylized 'Z' followed by a horizontal line and a small flourish.

- (ii) Consequently, I have found that the Company is in accordance with the Shariah Principles in all aspects and the Company performed its duties to its level best by following Shariah Guidelines. Moreover, in my opinion the accounting principles adopted for incorporation of Participants Takaful Fund (PTF) into the accompanying financial statements, are in accordance with the Shariah Principles, rules and guidelines.

“And Allah knows best”



Dr. Muhammad Zubair Usmani
Shariah Adviser

Adamjee Life Assurance Company Limited-Window Takaful Operations

DR. MUHAMMAD ZUBAIR USMANI
SHARIAH ADVISOR
WINDOW TAKAFUL OPERATION
ADAMJEE LIFE ASSURANCE CO, LTD.

Statement of Financial Position (Un-audited)

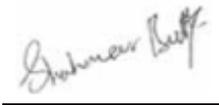
As at December 31, 2024

	Note	2024			2023		
		Operator's Sub Fund	Statutory Fund	Total	Operator's Sub Fund	Statutory Fund	Total
----- (Rupees in '000) -----							
Assets							
Right of use assets	9	87,800	-	87,800	-	-	-
Investments							
Equity securities	6	78,195	1,435,276	1,513,471	-	1,194,109	1,194,109
Government securities	7	432,710	8,169,290	8,602,000	413,753	7,130,501	7,544,254
Debt securities	8	-	262,332	262,332	-	261,272	261,272
Term deposits		-	-	-	-	75,000	75,000
Open-ended mutual funds	10	200,753	3,384,700	3,585,453	50,519	667,211	717,730
Takaful / retakaful receivables		-	15,804	15,804	-	30,138	30,138
Accrued income on investments and others	11	47,214	170,364	217,578	21,063	320,993	342,056
Interfund receivable		-	28,807	28,807	93,554	-	93,554
Taxation - payments less provision		10,983	179,020	190,003	9,587	175,483	185,070
Prepayments		-	-	-	7,642	-	7,642
Cash and bank	12	266,243	2,347,778	2,614,021	18,243	2,319,170	2,337,413
Total assets		1,123,898	15,993,371	17,117,269	614,361	12,173,877	12,788,238
Equity and Liabilities							
Capital contributed from shareholders fund		35,630	-	35,630	35,630	-	35,630
Quard-e-hasna contributed by window takaful operator		-	-	-	(25,630)	25,630	-
Money ceded to waqf fund		-	500	500	-	500	500
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)		439,941	-	439,941	258,498	-	258,498
Total equity		475,571	500	476,071	268,498	26,130	294,628
Liabilities							
Takaful liabilities	13	87,213	15,822,736	15,909,949	69,786	11,937,098	12,006,884
Retirement benefit obligations	22.1.1	1,224	-	1,224	-	-	-
Lease liabilities	9	71,661	-	71,661	-	-	-
Deferred taxation	24.1	282,367	-	282,367	166,330	-	166,330
Contribution received in advance		-	170,122	170,122	-	80,134	80,134
Interfund payable		28,807	-	28,807	-	93,554	93,554
Other creditors and accruals		177,055	13	177,068	109,747	36,961	146,708
Total liabilities		648,327	15,992,871	16,641,198	345,863	12,147,747	12,493,610
Total equity and liabilities		1,123,898	15,993,371	17,117,269	614,361	12,173,877	12,788,238
Contingencies and commitments	14						

The annexed notes 1 to 33 form an integral part of this financial statements.


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid Butt
Director


Manzoor Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer

Statement of Profit or Loss (Un-audited)

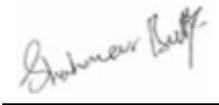
For the year ended December 31, 2024

	Operator's Sub Fund 2024	Statutory Fund 2024	Total	Operator's Sub Fund 2023	Statutory Fund 2023	Total
	(Rupees in '000)					
Contribution revenue	901,443	3,357,438	4,258,881	871,575	3,116,484	3,988,059
Contribution ceded to retakaful	-	(110,783)	(110,783)	-	(109,157)	(109,157)
Net contribution revenue	901,443	3,246,655	4,148,098	871,575	3,007,327	3,878,902
Takaful operator's fee	349,646	(349,646)	-	297,984	(297,984)	-
Mudarib fee	43,319	(43,319)	-	15,770	(15,770)	-
Investment income	90,055	1,640,965	1,731,020	78,726	1,157,220	1,235,946
Net realised fair value gains / (losses) on financial assets	26,831	744,817	771,648	(2,599)	289,898	287,299
Net fair value gains on financial assets at fair value through profit or loss - unrealised	37,411	836,426	873,837	5,436	482,474	487,910
Other income	41,887	308,882	350,769	22,026	408,893	430,919
	589,149	3,138,125	3,727,274	417,343	2,024,731	2,442,074
Net income	1,490,592	6,384,780	7,875,372	1,288,918	5,032,058	6,320,976
Takaful benefits	(2,550)	(2,666,745)	(2,669,295)	(1,089)	(1,743,778)	(1,744,867)
Recoveries from retakaful	-	62,664	62,664	-	63,739	63,739
Claims related expenses	-	(2,043)	(2,043)	-	(2,633)	(2,633)
Net takaful benefits	(2,550)	(2,606,124)	(2,608,674)	(1,089)	(1,682,672)	(1,683,761)
Net change in takaful liabilities (other than outstanding claims)	(17,427)	(3,775,870)	(3,793,297)	(12,887)	(3,346,261)	(3,359,148)
Acquisition expenses	(842,370)	-	(842,370)	(854,568)	-	(854,568)
Marketing and administration expenses	(154,710)	-	(154,710)	(128,852)	-	(128,852)
Other expenses	(48,482)	(2,786)	(51,268)	(37,096)	(3,125)	(40,221)
	(1,062,989)	(3,778,656)	(4,841,645)	(1,033,403)	(3,349,386)	(4,382,789)
Total expenses	(1,065,539)	(6,384,780)	(7,450,319)	(1,034,492)	(5,032,058)	(6,066,550)
Finance cost	(2,573)	-	(2,573)	(2,588)	-	(2,588)
Results from operating activities	422,480	-	422,480	251,838	-	251,838
Income tax expense	(116,037)	-	(116,037)	(75,677)	-	(75,677)
Profit after tax for the year	306,443	-	306,443	176,161	-	176,161

The annexed notes 1 to 33 form an integral part of this financial statements.


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid Butt
Director


Manzoor Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer

Statement of Comprehensive Income (Un-audited)

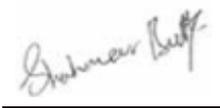
For the year ended December 31, 2024

	Operator's Sub Fund	Statutory Fund	Aggregate	
			2024	2023
----- (Rupees in '000) -----				
Profit after tax for the year - as per statement of profit or loss	306,443	-	306,443	176,161
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	306,443	-	306,443	176,161

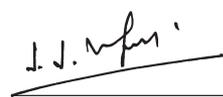
The annexed notes 1 to 33 form an integral part of this financial statements.


S. Muhammad Jawed
 Chairman


Muhammad Ali Zeb
 Director


Shahmeer Khalid Butt
 Director


Manzar Mushtaq
 Chief Executive Officer


Jalal Meghani
 Chief Financial Officer

Statement of Changes in Equity (Un-audited)

For the year ended December 31, 2024

	Capital contributed from shareholders fund	Money ceded to waqf fund	Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)*	Total
----- (Rupees in '000) -----				
Balance as at January 01, 2023	35,630	500	182,337	218,467
Total comprehensive income for the year ended December 31, 2023				
- Profit for the year after tax	-	-	176,161	176,161
- Other comprehensive income	-	-	-	-
	-	-	176,161	176,161
Transaction with owners recorded directly in the equity				
Surplus transferred to shareholder fund	-	-	(100,000)	(100,000)
Balance as at December 31, 2023	<u>35,630</u>	<u>500</u>	<u>258,498</u>	<u>294,628</u>
Total comprehensive income for the year ended December 31, 2024				
- Profit for the year after tax	-	-	306,443	306,443
- Other comprehensive income	-	-	-	-
	-	-	306,443	306,443
Transaction with owners recorded directly in the equity				
Surplus transferred to shareholder fund	-	-	(125,000)	(125,000)
Balance as at December 31, 2024	<u><u>35,630</u></u>	<u><u>500</u></u>	<u><u>439,941</u></u>	<u><u>476,071</u></u>

* This includes balances maintained in accordance with the requirements of Section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 to meet solvency margins, which are mandatorily maintained for carrying on of the family takaful business.

The annexed notes 1 to 33 form an integral part of this financial statements.


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid Butt
Director


Manzar Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer

Statement of Cash Flows (Un-audited)

For the year ended December 31, 2024

	2024	2023
	Note	(Rupees in '000)
Operating Cash Flows		
(a) Takaful activities		
Takaful contribution received	4,342,332	3,970,973
Retakaful contribution paid	(27,248)	(85,028)
Claims paid	(2,561,570)	(1,743,140)
Hadia paid	(425,042)	(456,739)
Marketing and administrative expenses paid	(576,211)	(635,159)
Net cash flow generated from takaful activities	752,261	1,050,907
(b) Other operating activities		
Income tax paid	(4,933)	(31,846)
Total cash flow generated from all operating activities	747,328	1,019,061
Investment activities		
Profit / return received	1,985,812	1,301,351
Dividend received	201,277	133,941
Payment for investments	(11,657,068)	(11,319,524)
Proceeds from disposal of investments	9,061,248	7,398,822
Total cash flow used in investing activities	(408,731)	(2,485,410)
Financing activities		
Finance cost paid	(4,446)	(3,412)
Payments against lease liabilities	(7,543)	3,412
Surplus transfer to shareholders fund	(125,000)	(100,000)
Total cash flow used in financing activities	(136,989)	(100,000)
Net cash inflows / (outflows) from all activities	201,608	(1,566,349)
Cash and cash equivalent at the beginning of the year	2,412,413	3,978,762
Cash and cash equivalent at the end of the year	2,614,021	2,412,413
	12.2	
Reconciliation to statement of profit or loss		
Cash flow from all operating activities	747,328	1,019,062
Depreciation and amortisation expense	(26,018)	(20,932)
Financial charge expense	(4,446)	(3,412)
Write offs	-	(569)
Profit on disposal of investment	771,648	287,299
Dividend income	194,623	132,753
Other investment income	1,866,905	1,534,112
Increase in assets other than cash	31,699	236,374
Increase in liabilities other than borrowings	(4,169,394)	(3,496,436)
Surplus on revaluation of investment	894,098	487,910
Profit after taxation for the year	306,443	176,161

The annexed notes 1 to 33 form an integral part of this financial statements.


S. Muhammad Jawed
Chairman


Muhammad Ali Zeb
Director


Shahmeer Khalid Butt
Director


Manzar Mushtaq
Chief Executive Officer


Jalal Meghani
Chief Financial Officer

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Adamjee Life Assurance Company Limited ("the Operator") was incorporated in Pakistan on August 04, 2008 as a public unlisted company under the Companies Act, 2017 (Previously Companies Ordinance, 1984). The Operator was converted into a public limited company on March 4, 2022 and registered itself on Pakistan Stock Exchange. The Operator started its operations on April 24, 2009. Registered office of the Operator is at 5th floor, Islamabad Stock Exchange Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad while its principal place of business is at Adamjee House, 3rd and 4th Floor, I.I Chundrigar Road, Karachi. The Operator is a subsidiary of Adamjee Insurance Company Limited.

The Operator is engaged in Takaful business carrying on non-participating business only. Following are the statutory funds in respect of each class of its Takaful business:

- Individual Family Takaful Business (refer note 1.2)
- Group Family Takaful Business (refer note 1.2)

1.2 The Operator was granted authorisation on May 04, 2016 under Rule 6 of Takaful Rules, 2012 to undertake Takaful Window Operations in respect of family takaful products by Securities and Exchange Commission of Pakistan (SECP) and subsequently the Operator commenced Window Takaful Operations from July 14, 2016. The Operator formed a Waqf Fund namely the Adamjee Life Assurance Operator Limited - Window Takaful Operations Waqf Fund (here-in-after referred to as the Participant Takaful Fund (PTF) on December 22, 2015 under a Waqf Deed executed by the Operator with the cede amount of Rs. 500,000. The cede money is required to be invested in Shariah compliant investments and any profit thereon can be utilised only to pay benefits to participants or defray PTF expenses. Waqf deed also governs the relationship of the Operator and policyholders for the management of Takaful operations, investment of policyholders' funds and shareholders' funds as approved by the Shariah Advisor appointed by the Operator.

The Operator issued supplemental policies to the Window Takaful Operations Waqf Fund on October 29, 2019 to include Group Family Participant's Takaful Fund business in existing Window Takaful Operations Waqf Fund and the same was authorised by the Securities and Exchange Commission of Pakistan (SECP) on December 11, 2019 and the Operator commenced its Group Family Takaful Business in the second quarter of 2020.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

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

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

In case the requirements differ, provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for valuation of certain investments and investment property at their market value, retirement benefits obligation and insurance liabilities.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupee, which is the Operator's functional and presentation currency. Amounts presented have been rounded off to the nearest thousand unless otherwise stated.

3 Standards, interpretations and amendments to published accounting and reporting standards that are effective during the year

3.1 There are certain new standards, amendments and interpretations that are applicable for accounting periods beginning on or after 1 January 2024, that are considered not to have a material impact on the Operator's financial statements and hence have not been detailed here.

Effective date	New standards or amendments
1 January 2024	Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020)
	Non-current liabilities with covenants (Amendment to IAS 1 in October 2022)
	Lease liability in a sale and leaseback (Amendment to IFRS 16 in September 2022)
	Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)

3.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.
- Lack of exchangeability (Amendments to IAS 21) clarify:
 - when a currency is exchangeable into another currency; and
 - how a Company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange

rate on the financial statements. The disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the Company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning or after 1 January 2025. Earlier application is permitted.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures:
- Financial Assets with ESG-linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial asset with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs - e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

- Recognition / Derecognition requirements of financial assets / liabilities by electronic payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

- Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Annual Improvements to IFRS Accounting Standards – Amendments to:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash flows

The amendments to IFRS 9 address:

- A conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables: Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

3.3 Temporary Exemption from IFRS 17 and IFRS 9

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1715 (I)/2023 dated 21 November 2023

IFRS 17 "Insurance Contracts", is applicable to the companies engaged in insurance/takaful and re-insurance/re-takaful business from financial years commencing on or after 01 January 2026.

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 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 through its S.R.O.506(I)/2024 has directed that the applicability period of optional temporary exemption from applying IFRS 9 – Financial Instrument as given in para 20A of IFRS 4 – Insurance Contracts is extended for annual periods beginning before January 1, 2026, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

approach towards implementation of IFRS 17 - Insurance Contracts. The first three phases now stand completed and Phase 4 parallel run and implementation has commenced and is currently under progress.

In Phase 4 SECP requires parallel run of IFRS 17 for the year ended 31 December 2024 to be submitted to SECP by 30 June 2025 and dry run on the financial statement of the first quarter of 2025 to be submitted by 30 November 2025.

4 MATERIAL ACCOUNTING POLICIES

The Operator has consistently applied the following accounting policies to all periods presented in these financial statements for the year ended 31 December 2024. These are consistent with those applied in preparation of the published annual audited financial statements of the Operator for the year ended 31 December 2023.

4.1 Types of Window Takaful Operations

a) Individual Family Takaful Unit Linked Business

The Operator offers Family Takaful policies. Family Takaful policies is an arrangement which rests on key Shariah principles of mutual cooperation, solidarity and well being of a community, and is based on the principles of Wakalah Waqf Model. Under a Takaful arrangement, individuals come together and contribute towards the common objective of protecting each other against financial losses by sharing the risk on the basis of mutual assistance.

The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In case there is a deficit in the Waqf Fund, the Window Takaful Operator shall grant an interest free loan (Qard-e-Hasna) to make good the deficit. The loan shall be repayable from the future surplus generated in the Waqf Fund, without any excess of the actual amount given to it. Repayment of Qard-e-Hasna shall receive priority over surplus distribution to participants from the Waqf Fund.

The Operator offers Unit Linked Takaful Plans which provide shariah compliant financial protection and investment vehicle to individual participants. These plans carry cash value, and offer investment choices to the participants to direct their investment related contributions based on their risk / return objectives. The investment risk is borne by the participants.

Revenue recognition

First year individual life contribution are recognised once the related policies have been issued and the contribution is received. Renewal contribution are recognised upon receipt of contribution. Single contribution are recognised once the related policies are issued against the receipts of contribution. Contribution of riders like 'Waiver of Contribution' will be recognised upon actuarial assumptions where actuary deems that all premiums due have been received.

Recognition of takaful liabilities

Takaful liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claim expenses are recognised on the earlier of the policy expiry or the date when the intimation of the event giving rise to the claim is received. Claim of 'Waiver of Contribution' is created when intimated with the amount to be applied by the Operator on behalf of participant.

Surrender of Unit Linked Takaful Business policies is made after these have been approved in accordance with the Operator's Policy.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the takaful liabilities in accordance with the estimates recommended by the appointed actuary.

b) Group Family Takaful Business

Group Life contracts are mainly issued to employers to insure their commitments to their employees as required under the The Industrial and Commercial Employment (Standing Orders) Ordinance, 1968.

The group life business segment provides coverage to members / employees of business enterprises and corporate entities, against death and disability under group life assurance schemes issued by the Operator. The Group Credit Life Protection segment provides coverage to individuals taking any type of loan, including personal loans, credit cards, and mortgages. This coverage is designed to protect both the borrower and the lender against death and disability.

Revenue recognition

Contribution are recognised as and when due. In respect of certain group policies the Operator continues to provide insurance cover even if the contribution is received after the grace period. Provision for unearned contribution is included in the policyholders' liabilities.

Recognition of takaful liabilities

Takaful liabilities included in the statutory fund are determined based on the appointed actuary's valuation conducted as at the reporting date, in accordance with Section 50 of the Insurance Ordinance, 2000.

Claim expenses

Claim expenses are recognised on the date the insured event is intimated.

Liability for outstanding claims includes amounts in relation to unpaid reported claims and is stated at estimated claims settlement cost. Full provision is made for the estimated cost of claims incurred and reported till the date of reporting.

Liability for claims "Incurred But Not Reported" (IBNR) is included in the takaful liabilities in accordance with the estimates recommended by the appointed actuary.

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

Experience refund of contribution

Experience refund of contribution payable to policyholders' is included in takaful liability in accordance with the policy of the Operator and the advice of the appointed actuary.

4.2 Retakaful contracts held

Individual policies (including joint life policies underwritten as such) are retakafuled under an individual life retakaful agreement whereas group life and group credit life policies are retakafuled under group life and group credit life retakaful agreements respectively.

4.2.1 Takaful

Retakaful contribution

Retakaful contribution ceded is recognised at the same time when the related contribution revenue is recognised. It is measured in line with the terms and conditions of the retakaful treaties.

Retakaful recoveries

Retakaful recoveries from retakaful operators are recognised at the same time when the claim is intimated and giving rise to the right of recovery is recognised in the books of accounts of the Operator.

Experience refund

Experience refund receivable from retakaful operators is included in the retakaful recoveries of claims.

Amount due from / to retakaful operator

All receivables (retakaful operator's share in claims, inward commission from retakaful operator and experience refund) and payables (retakaful contribution) under retakaful agreements are recognised on net basis in the Operator's financial statements, only under the circumstances that there is a clear legal right of off-set of the amounts.

Amounts due from / to retakaful operator are carried at cost which is the fair value of the consideration to be received / paid in the future for services rendered / received, less provision for impairment, if any.

4.3 Statutory funds

The Operator maintains statutory funds in respect of each class of life assurance business in which it operates. Assets, liabilities, revenues and expenses of the Operator are referable to the respective statutory funds. However, where these are not referable to statutory funds, these are allocated to shareholders' fund on the basis of actuarial advice. Apportionment of assets, liabilities, revenues and expenses, whenever required between funds are made on the basis certified by the appointed actuary of the Operator. Takaful liabilities have been included in statutory funds on the basis of the actuarial valuation carried out by the appointed actuary of the Operator on the reporting date as required under Section 50 of the Insurance Ordinance, 2000.

4.4 Takaful liabilities

a) Individual Family Takaful Unit Linked Business

Takaful liabilities constitute the fund value of unit linked contracts as well as non-unit reserves of these linked contracts. Non-linked reserves constitute liability kept to account for risks such as death, Incurred But Not Reported (IBNR) claims and non-linked riders (Accidental Death and Disability, Waiver of Contribution, etc.).

Reserve for main plan mortality has been based on sum covered at risk using SLIC (2001-05) on the assumption that the risk is uniformly exposed and annually charged (unearned basis).

- Incurred But Not Reported (IBNR) claims

Reserves for IBNR claims have been estimated using claims run-off triangle.

- Unearned premium and premium deficiency reserve

Reserves for riders where contributions are level over the term of the contract are based on the Net Contribution Method whereas reserves for riders where contributions are not age related are based on net unearned contributions, where the 'rider contribution (net of retakaful) proportionate to the unexpired duration of the period for which the respective contributions have been received are held as unearned contribution reserves.

The Premium Deficiency Reserve (PDR) is not applicable to these policies.

b) Group Family Takaful Business

Policy reserves for these plans are based on the unearned contribution method net of allowances made for acquisition expenses, unexpired retakaful contribution and profit commission. Consideration is also given to the requirement for a Contribution Deficiency Reserve. The reserves also comprise allowance for "Incurred But Not Reported" (IBNR) claims. The provision for IBNR claims as included in takaful liability is estimated at 15% of the earned contribution for the year. The assumption is based on "Claims run-off triangle" study carried out as at 31st December 2024.

c) Reserve for unearned contribution - Takaful Contracts

The unearned portion of gross contribution, net off wakala fee, is set aside as a reserve and included in the technical reserves. Such reserve is calculated as a portion of the gross contribution of each policy, determined according to the ratio of the unexpired period of the policy and the total period, both measured to the nearest day.

4.5 Lease liabilities

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

The Operator acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Operator

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets. At commencement or on modification of a contract that contains a lease component, the Operator allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Operator recognises right-of-use asset (ROU asset) and its related lease liability at the commencement date of the lease.

i) **Right-of-use asset**

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for 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 incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Operator by the end of the lease term or the cost of the right-of-use asset reflects that the Operator will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Operator presents right-of-use asset that do not meet the definition of investment property in property and equipment.

ii) **Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Operator's incremental borrowing rate. Generally, the Operator uses its incremental borrowing rate as the discount rate.

The Operator determines its incremental borrowing rate by obtaining interest rates from various external financing source and makes certain adjustments, if needed to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- "fixed payments, including in-substance fixed payments;"
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Operator is reasonably certain to exercise, lease payments in an optional renewal period if the Operator is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Operator is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Operator's estimate of the amount expected to be payable under a residual value guarantee, if the Operator changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

The operator presents lease liabilities as a separate line item in the statement of financial position.

iii) Short-term leases and leases of low-value assets

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

4.6 Receivables and payables relating to takaful contracts

Receivables and payables are recognised when due. These include amount due to and from agents and policyholders.

4.7 Provisions

Provisions are recognised when the Operator has a present 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 obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.8 Other creditors and accruals

Liabilities for creditors and other amounts payable are recognised initially at fair value plus directly attributable transactions costs, if any, and subsequently measured at amortised cost.

4.9 Employees accumulated compensated absences

The Operator accounts for the liability in respect of employees accumulated compensated absences in the period in which they are earned.

4.10 Financial instruments

4.10.1 Financial assets

The Operator has classified its financial assets on initial recognition into the following categories: at fair value through profit or loss (held for trading), held to maturity, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired.

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

The Operator has classified its income earned on financial assets categorised at fair value through profit or loss as 'income from trading investments' while income earned on financial assets categorised as held to maturity, loans and receivables and available for sale as 'income from non-trading investments'.

a) Financial assets at fair value through profit or loss (held for trading)

Financial assets designated at fair value through profit or loss upon initial recognition include those group of financial assets which are managed and their performance evaluated on a fair value basis.

b) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has both the intent and the ability to hold till maturity.

c) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

d) Available for sale

These are non derivative financial assets that are either designated as in this category or not classified in any of the other categories.

Initial recognition and measurement

All financial assets are recognised when the Operator becomes a party to the contractual provision of the instrument. Investments other than those categorised into 'financial assets at fair value through profit or loss' category are initially recognised at fair value plus transaction costs which are directly attributable to the acquisition of the securities. Financial assets classified 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss / revenue account. All regular way purchases and sales of investments that require delivery within the time frame established by regulations or market convention are recognised at the trade date. Trade date is the date when the Operator commits to purchase or sell the investment.

Subsequent measurement

Financial assets classified as 'at fair value through profit or loss' are subsequently measured at their fair values and gains and losses arising from changes in fair value are included in the statement of profit or loss / revenue account. Available for sale investments are subsequently measured at their fair values and gains and losses arising from changes in fair values are included in other comprehensive income. Any change in the provision for impairment in value of investment is recognised in the statement of profit or loss / revenue account. Amortisation of premium / discounts on acquisition of investments is carried out using effective yield method and charged to the statement of profit or loss / revenue account, as appropriate. Investments classified as held to maturity and loans and receivables are subsequently measured at amortised cost less any impairment losses, taking into account any discount or premium on acquisition by using the effective interest rate method.

Fair / market value measurements

For investments in quoted equity securities, the market value is determined by using Pakistan Stock Exchange quotations at the reporting date. For investments in Government securities, the market value is determined using PKRV/PKISR/ PKFRV rates. The fair market value of term finance certificates / corporate sukuks is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP) and the fair value of open ended mutual funds is declared by the relevant fund.

Impairment against financial assets

Investments classified as 'available-for-sale' are subsequently measured at their market values, with any gain or loss recorded in the Statement of Comprehensive Income. Cumulative gains and losses on mark to market of available-for-sale investments are reclassified to profit and loss account on disposal of investments. When the decline in value of an equity security is significant or prolonged, the cumulative loss (measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss account) that had been recognised in other comprehensive income shall be reclassified from equity to the profit and loss account even though the financial asset has not been derecognised.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Operator has transferred substantially all risks and rewards of ownership.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statement only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

4.10.2 Financial liabilities

All financial liabilities are recognised at the time the Operator becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attribute transaction cost.

Subsequent to initial recognition, these are measured at fair / market value or amortised cost using the effective interest rate method, as the case may be.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

4.11 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents include balances with banks, term deposits with original maturity of three months or less and cash and stamps in hand.

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

4.12 Other revenue recognition

- Return on fixed income and government securities are recognised on time proportion basis using the effective interest rate method.
- Return on deposits are recognised on a time proportion basis.
- Dividend income from investments is recognised when the Operator's right to receive the dividend is established.
- Gain or loss on sale of investments is included in the statement of profit or loss in the year in which disposal has been made.
- All income on investments other than unrealised gain on available for sale investments are included in statement of profit or loss / revenue account. Unrealised income from available for sale investments are included in other comprehensive income.

4.13 Acquisition costs

These are costs incurred in acquiring insurance takaful contracts, maintaining such takaful contracts, and include without limitation all forms of remuneration paid to takaful agents.

Hadia and other expenses are recognised as expense in the earlier of the financial year in which they are paid and the financial year in which they become payable, except that hadia and other expenses which are directly referable to the acquisition or renewal of specific contracts are recognised not later than the period in which the contribution to which they refer is recognised as revenue.

4.14 Takaful operator fee

The shareholders of the Company manage the Window Takaful Operations for the participants. Accordingly, the Company is entitled to Takaful Operator's Fee for the management of Window Takaful Operations under the Waqf Fund, to meet its general and administrative expenses. The Takaful Operator's Fee, termed Wakalah fee, is recognised upfront.

4.15 Taxation

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

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income earned or minimum turnover tax payable under the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax is calculated

using tax rates enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred

Deferred taxation is recognised using liability method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

4.16 Operating Segments

A segment is a distinguishable component of the Operator that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Operator's primary format of reporting is based on business segments.

Operating segments are reported in a manner consistent with that provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

The Operator operates in Pakistan only. The Operator has two primary business segments for reporting purposes namely; Individual Family Takaful Unit Linked Business and Group Family Takaful Business.

- a) The individual Family Takaful segment provides family takaful coverage to individuals under unit based policies issued by the PTF.
- b) The Group Family Takaful segment provides family takaful coverage to members of business enterprises, corporate entities and common interest groups under Group Family Takaful schemes issued by the PTF.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these financial statements, the significant judgments made by management in applying the Operator's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual financial statements of the Company for the year ended December 31, 2024.

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

	Note	2024	2023
(Rupees in '000)			
6. INVESTMENT IN EQUITY SECURITIES			
Fair value through profit or loss (held for trading)	6.1	1,513,471	1,194,109

6.1 Details of equity securities - fair value through profit or loss

	2024			2023		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
(Rupees in '000)						
Related parties	17,682	-	17,531	18,821	-	27,518
Others	1,348,674	-	1,495,940	952,243	-	1,166,591
	1,366,356	-	1,513,471	971,064	-	1,194,109

6.1.1 Details of equity securities - fair value through profit or loss (held for trading)

	Sector	2024		2023	
		No. of shares	Market value in Rupees (000)	No. of shares	Market value in Rupees (000)
Related party					
Nishat Chunian Limited	Textile Composite	650,000	17,531	-	-
D.G. Khan Cement Company Limited	Cement	-	-	355,531	27,518
			17,531		27,518
Others					
Meezan Bank Limited	Commercial Banks	1,500,077	362,974	454,947	73,410
Faysal Bank Limited	Commercial Banks	3,348,707	162,345	2,069,108	67,412
Interloop Limited	Textile Composite	1,815,104	124,734	506,620	36,477
Pakistan Petroleum Limited	Oil & Gas	416,429	84,764	638,944	73,498
Mughal Iron & Steel Industries Limited	Engineering	1,027,310	82,287	1,024,200	67,782
Oil & Gas Development Company Limited	Oil & Gas	277,393	63,040	588,459	66,172
Abbott Laboratories (Pakistan) Limited	Pharmaceuticals	50,256	62,210	46,200	21,262
Fatima Fertilizer Company Limited	Fertilizer	791,179	61,934	-	-
Engro Fertilizers Limited	Fertilizer	302,500	61,767	-	-
Lucky Cement Limited	Cement	49,838	54,846	146,605	115,375
Cherat Cement Company Limited	Cement	200,000	54,735	6,834	1,114
Panther Tyres Limited	Automobile Parts & Accessories	956,865	44,628	-	-
National Foods Limited	Food & Personal Care Products	229,096	44,280	214,500	31,103
Bata Pakistan Limited	Leather & Tanneries	19,720	39,812	20,920	36,238
Systems Limited	Technology & Communication	46,977	29,194	131,110	55,533
Highnoon Laboratories Limited	Pharmaceuticals	29,728	27,297	27,950	14,102
Sitara Chemical Industries Limited	Chemical	62,614	19,725	-	-
BankIslami Pakistan Limited	Commercial Banks	750,000	17,228	-	-
Pioneer Cement Limited	Cement	71,899	14,455	121,500	13,965
Lucky Core Industries Limited	Chemical	12,000	12,914	15,431	12,015
Shabbir Tiles & Ceramics Limited	Glass & Ceramics	726,000	11,681	421,000	5,999
Dynea Pakistan Limited	Chemical	51,100	11,388	51,100	9,464

	Sector	2024		2023	
		No. of shares	Market value in Rupees ('000)	No. of shares	Market value in Rupees ('000)
Rafhan Maize Products Company Limited	Food & Personal Care Products	1,210	10,890	500	4,997
Exide Pakistan Limited	Automobile Parts & Accessories	12,500	10,016	-	-
Atlas Battery Limited	Automobile Parts & Accessories	23,813	9,067	-	-
Lotte Chemical Pakistan Limited	Chemical	331,107	6,923	-	-
Agriauto Industires Limited	Automobile Parts & Accessories	50,506	5,489	3,000	299
Engro Corporation Limited	Fertilizer	6,500	2,894	193,000	56,918
Attock Petroleum Limited	Oil & Gas	2,427	1,346	-	-
Mari Petroleum Company Limited	Oil & Gas	1,435	1,033	30,183	63,267
The Searle Company Limited	Pharmaceuticals	425	44	-	-
AGP Limited	Pharmaceuticals	-	-	397,696	27,962
Attock Cement Pakistan Limited	Cement	-	-	50,000	4,811
Century Paper & Board Mills Limited	Paper, Board And Packaging	-	-	17,000	554
Citi Pharma Limited	Pharmaceuticals	-	-	136,540	3,241
Fauji Cement Company Limited	Cement	-	-	5,845,875	110,604
Ferozsons Laboratories Limited	Healthcare	-	-	25,000	5,516
Haleon Pakistan Limited	Healthcare	-	-	84,400	14,264
Hub Power Company Limited	Power Producer	-	-	455,000	53,276
Maple Leaf Cement Limited	Cement	-	-	1,507,264	58,663
Packages Limited	Packaging	-	-	78,880	41,813
Pakistan Aluminium Beverage Cans Limited	Beverage Can Manufacturers	-	-	80,000	6,046
Shifa International Hospitals	Healthcare	-	-	95,806	13,439
			<u>1,495,940</u>		<u>1,166,591</u>

6.1.2 The shares are held in the name of Adamjee Life, and no separate CDC account of shares is opened for the Takaful operation as it is part of the main entity.

2024 2023
Note -----(Rupees in '000)-----

7. INVESTMENT IN GOVERNMENT SECURITIES

Fair value through profit or loss (held for trading)	7.1	<u>8,602,000</u>	<u>7,544,254</u>
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7.1 Fair value through profit or loss (held for trading)

	Term	Maturity year	2024			
			Effective yield (%)	Face Value	Carrying Value	Market value
----- (Rupees in '000) -----						
Fixed rate instruments						
GOP Ijara Sukuk	5 years	2029	11.44% - 14.97%	535,000	538,002	567,697
GOP Ijara Sukuk	5 years	2028	12.77% - 13.50%	600,000	602,389	653,700
GOP Ijara Sukuk	5 years	2026	10.96%	425,000	388,716	428,190
GOP Ijara Sukuk	5 years	2025	12.17%	100,000	94,090	97,920
GOP Ijara Sukuk	3 years	2027	11.25% - 15.59%	297,500	299,046	308,701
GOP Ijara Sukuk	3 years	2026	11.61% - 14.84%	1,643,000	1,664,620	1,780,012
GOP Ijara Sukuk	1 years	2025	9.28% - 13.41%	2,341,965	2,184,678	2,234,764

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

			2024			
Term	Maturity year	Effective yield (%)	Face Value	Carrying Value	Market value	
----- (Rupees in '000) -----						
Floating rate instruments						
GOP Ijara Sukuk	5 years	2029	10.72%	25,000	25,515	25,750
GOP Ijara Sukuk	5 years	2028	11.41% - 14.36%	560,000	559,821	582,568
GOP Ijara Sukuk	5 years	2027	12.47% - 12.88%	239,900	242,611	247,427
GOP Ijara Sukuk	5 years	2026	12.55% - 12.80%	450,000	453,995	460,216
GOP Ijara Sukuk	5 years	2025	10.1% - 14.40%	630,000	631,555	642,862
GOP Ijara Sukuk	3 years	2027	10.29%	25,000	25,382	25,700
GOP Ijara Sukuk	3 years	2026	8.77% - 11.32%	535,000	535,421	546,493
As at December 31, 2024				8,407,365	8,245,841	8,602,000
Unrealised gain (note 18)				-	356,159	
				8,407,365	8,602,000	8,602,000
As at December 31, 2023				7,498,709	7,557,525	7,544,254

2024 2023
Note -----(Rupees in '000)-----

8. INVESTMENT IN DEBT SECURITIES

Fair value through profit or loss (held for trading) 8.1 **262,332** 261,272

8.1 Fair value through profit or loss (held for trading)

	2024			2023		
	Carrying value	Provision / impairment	Market value	Carrying value	Provision / impairment	Market value
----- (Rupees in '000) -----						
Corporate sukuk	259,548	-	262,332	259,731	-	261,272
	259,548	-	262,332	259,731	-	261,272

8.1.1

Corporate Sukuks

	Maturity date	(Number of certificates)		Face Value	Carrying Value	Market Value
		2024	2023			
----- (Rupees in '000) -----						
Dubai Islamic Sukuk	December 2, 2032	22	22	22,000	22,132	22,044
Meezan Bank Limited Sukuk	December 16, 2031	64	64	63,628	63,977	62,649
Meezan Bank Limited - Sukuk	January 9, 2030	50	50	50,000	50,125	50,410
Pakistan Energy Sukuk II	May 21, 2030	25,008	25,008	126,250	123,314	127,229
		25,144	25,144	261,878	259,548	262,332
Unrealised Gain (refer note 18)				-	2,784	-
				261,878	262,332	262,332
As at December 31, 2023				260,668	259,731	261,272

	2024	2023
Note	(Rupees in '000)	
9. Leases - Agency branches		
9.1 Right of use assets		
Cost	89,536	-
Accumulated depreciation	(1,736)	-
Net book value	<u>87,800</u>	<u>-</u>
Opening net book value	-	-
Additions	89,536	-
Depreciation charged	(1,736)	-
Closing net book value	<u>87,800</u>	<u>-</u>
9.2 Lease liabilities		
Opening balances	-	-
Addition during the year	79,194	-
	<u>79,194</u>	<u>-</u>
Interest accretion during the year	4,456	-
Repaid during the year	(11,989)	-
Closing balance	<u>71,661</u>	<u>-</u>
Current portion	16,259	-
Non-current portion	55,402	-
	<u>71,661</u>	<u>-</u>
10. INVESTMENT IN OPEN-ENDED MUTUAL FUNDS		
Fair value through profit or loss (held for trading) 10.1	<u>3,585,453</u>	<u>717,730</u>

	2024			2023		
	Carrying value	Provision / Impairment	Market value	Carrying value	Provision / Impairment	Carrying value
	(Rupees in '000)					
Related parties	1,414,809	-	1,688,728	488,169	-	717,730
Others	1,782,604	-	1,896,725	-	-	-
	<u>3,197,413</u>	<u>-</u>	<u>3,585,453</u>	<u>488,169</u>	<u>-</u>	<u>717,730</u>

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

10.1.1 Details of open-ended mutual funds - fair value through profit or loss (held for trading)

	2024		2023	
	No. of units	Market value (Rupees in '000)	No. of units	Market value (Rupees in '000)
Related parties - MCB Funds				
Alhamra Islamic Income Fund	8,672,001	987,267	667,028	75,780
Alhamra Islamic Stock Fund	15,561,092	341,255	22,442,198	314,865
Alhamra Islamic Asset Allocation Fund	1,819,004	283,084	3,447,628	327,085
Alhamra Opportunity Fund - Dividend Strategy Plan	280,723	40,733	-	-
Alhamra Cash Management Optimizer	334,538	36,389	-	-
		<u>1,688,728</u>		<u>717,730</u>
Others				
Faysal Islamic Sovereign Plan I	11,593,993	1,277,426	-	-
Faysal Islamic Special Income Plan	5,712,133	619,299	-	-
		<u>1,896,725</u>		<u>-</u>
Total		<u>3,585,453</u>		<u>717,730</u>

	2024	2023
11. ACCRUED INCOME ON INVESTMENTS AND OTHERS		
Accrued income on investments	148,077	315,239
Other receivables	49,666	333
Security deposits	10,401	11,017
Receivable against the sale of investment	6,628	6,032
Loan to employees - secured	2,797	2,771
Dividend receivable	9	6,664
	<u>217,578</u>	<u>342,056</u>
12. CASH AND BANK		
- Policy stamps	9,273	3,753
Cash at bank		
- Current accounts	155,687	90,391
- Islamic saving accounts	2,449,061	2,243,269
	<u>2,604,748</u>	<u>2,333,660</u>
	<u>2,614,021</u>	<u>2,337,413</u>

Note -----(Rupees in '000)-----

12.1 This carries profit rate ranging from 6.73% to 18.50% (December 31, 2023: 12.50% to 20.50%) per annum.

12.2 Cash and cash equivalents	Note	2024	2023
		------(Rupees in '000)-----	
Cash and cash equivalents includes the following for the purpose of cash flow statement:			
- Cash in hand and policy stamps		9,273	3,753
- Cash at bank		2,604,748	2,333,660
- Term deposits maturing within three months		-	75,000
		2,614,021	2,412,413
13 TAKAFUL LIABILITIES			
Investment component of unit linked and account value policies		15,089,924	11,354,261
Other takaful liabilities	13.4	143,167	135,068
Reported outstanding claims (including claims in payment)	13.1	303,813	194,045
Incurred but not reported claims	13.2	63,503	61,967
Liabilities under group takaful contracts (other than investment linked)	13.3	10,874	7,290
		15,611,281	11,752,631
Surplus retained in Participants' Takaful Fund (PTF)	13.6	298,668	254,253
Total takaful liabilities		15,909,949	12,006,884
13.1 Reported outstanding claims (including claims in payment)			
Gross of retakaful		303,813	194,045
Retakaful recoveries		(13,256)	(26,472)
Net reported outstanding claims		290,557	167,573
13.2 Incurred but not reported claims			
Individual life			
Gross of retakaful		69,973	98,725
Retakaful recoveries		(14,810)	(50,015)
Net of retakaful		55,163	48,710
Group life			
Gross of retakaful		20,811	25,588
Retakaful recoveries		(12,471)	(12,331)
Net of retakaful		8,340	13,257
		63,503	61,967

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

	2024	2023
Note	----- (Rupees in '000) -----	
13.3 Liabilities under group takaful contracts (other than investment linked)		
Gross of retakaful	18,926	13,267
Retakaful credit	(8,052)	(5,977)
Net of retakaful	<u>10,874</u>	<u>7,290</u>
13.4 Other takaful liabilities		
Gross of retakaful	177,101	166,865
Retakaful credit	(33,934)	(31,797)
Net of retakaful	<u>143,167</u>	<u>135,068</u>
13.5 Net change in takaful liabilities (other than outstanding claims)		
Total takaful liabilities	15,909,949	12,006,884
reported outstanding claims (including claims in payment)	(303,813)	(194,045)
	<u>15,606,136</u>	<u>11,812,839</u>
Opening Takaful liabilities (other than outstanding claims)	(11,812,839)	(8,453,691)
Net change in takaful liabilities (other than outstanding claims)	<u>3,793,297</u>	<u>3,359,148</u>
13.6	This comprises the surplus of the Individual and Group Family Takaful - Participant Takaful Fund, which relates exclusively to participants of the Individual and Group Family Takaful Fund and is not available for distribution to shareholders. The surplus arising in the Participants' Sub-Fund can only be distributed to the participants of that fund with the approval of the appointed actuary. As clarified by SECP, the surplus has been classified under insurance liabilities.	

14. Contingencies and commitments

The contingencies reported in annual financial statements of the Company also includes impacts of Window Takaful Operations as at December 31, 2024. Out of reported amount thereon, an amount of Rs. 225.36 million (December 31, 2023: Rs. 177.018 million) pertains to Window Takaful Operations. There are no other material contingencies or commitments as at December 31, 2024.

	2024	2023
	Note	(Rupees in '000)
15. Contribution revenue		
Gross Contribution		
Regular Contribution Individual Policies*		
- First year	1,075,088	850,911
- Second year renewal	508,406	785,854
- Subsequent year renewal	2,165,764	2,129,551
Total regular contributions individual policies	<u>3,749,258</u>	<u>3,766,316</u>
Single contribution individual Policies*	365,345	78,060
Group policies without cash values	144,278	143,683
	<u>509,623</u>	<u>221,743</u>
Total Gross Contribution	<u>4,258,881</u>	<u>3,988,059</u>
Less: contributions ceded to retakaful operator		
On individual life first year business	(13,624)	(13,090)
On individual life second year business	(7,299)	(12,850)
On individual life subsequent renewal business	(28,149)	(26,749)
On individual life single contribution business	(49)	(49)
On group policies	(61,662)	(56,419)
	<u>(110,783)</u>	<u>(109,157)</u>
Net contribution	<u>4,148,098</u>	<u>3,878,902</u>
* Individual contracts are those underwritten on an individual basis.		
16. INVESTMENT INCOME		
Dividend income	194,623	132,753
Income from government securities - fair value through profit or loss	1,481,439	634,181
Income from debt securities - fair value through profit or loss		
Return on corporate sukuks	54,958	56,693
Income from term deposit receipts - held to maturity		
Return on term deposit receipts	-	412,319
	<u>1,731,020</u>	<u>1,235,946</u>

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

	2024	2023
Note	----- (Rupees in '000) -----	
17. NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS		
Fair value through profit or loss		
Realised gains / (losses) on:		
- Equity securities	590,621	266,841
- Government securities	260	(5,072)
- Debt securities	-	(6,378)
- Open-ended mutual funds	180,767	31,908
	771,648	287,299
18. NET FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED		
Net unrealised gains on:		
- Equity securities	147,115	223,045
- Government securities	356,159	45,545
- Debt securities	2,784	1,541
- Mutual funds	388,040	229,561
Total gains	894,098	499,692
Less: Investment related expenses	(20,261)	(11,782)
	873,837	487,910
19. OTHER INCOME		
Return on bank balances	302,514	394,000
Bonus allocation from operator's sub fund	48,237	36,919
Miscellaneous income	18	-
	350,769	430,919

	2024	2023
20. TAKAFUL BENEFITS		
	Note	(Rupees in '000)
Gross Claims		
Claims under individual policies		
- by death	(130,870)	(134,543)
- by insured event other than death	(1,775)	(870)
- by maturity	(340,806)	(226,612)
- by surrender	(2,108,864)	(1,289,072)
Total gross individual policy claims	(2,582,315)	(1,651,097)
Claims under group contracts		
- by death	(83,032)	(92,060)
- by insured event other than death	(3,948)	(1,710)
Total gross group contract claims	(86,980)	(93,770)
Total gross claims	(2,669,295)	(1,744,867)
Less: Retakaful recoveries		
- on individual life claims	17,516	26,461
- on group life claims	45,148	37,278
	62,664	63,739
Net takaful benefit expense (excluding claim related expenses)	(2,606,631)	(1,681,128)

20.1 Claim development table

20.1.1 Individual life claims

Incident year	Incident Reported				
	2020	2021	2022	2023	2024
	(Rupees in '000)				
Estimate of ultimate claim costs:					
At the end of accident year	24,416	48,268	65,065	82,355	80,714
One year later	60,943	87,139	98,837	126,329	-
Two years later	63,417	94,918	102,546	-	-
Three years later	65,906	97,175	-	-	-
Four years later	66,884	-	-	-	-
Current estimate of cumulative claims	66,884	97,175	102,546	126,329	80,714
Less: cumulative payments to date	(65,906)	(92,571)	(97,145)	(92,148)	(64,453)
Liability recognised in the statement of financial position	978	4,604	5,401	34,181	16,261

20.1.2 Group life claims

Incident year	Incident Reported				
	2020	2021	2022	2023	2024
	(Rupees in '000)				
Estimate of ultimate claim costs:					
At the end of accident year	10,889	29,459	28,641	74,506	68,992
One year later	27,682	41,221	43,593	88,901	-
Two years later	28,582	43,321	45,233	-	-
Three years later	28,582	43,686	-	-	-
Four years later	28,882	-	-	-	-
Current estimate of cumulative claims	28,882	43,686	45,233	88,901	68,992
Cumulative payments to date	(28,882)	(43,686)	(45,233)	(88,591)	(68,657)
Liability recognised in the statement of financial position	-	-	-	310	335

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

	2024	2023
Note	------(Rupees in '000)-----	
21. ACQUISITION EXPENSES		
Remuneration to takaful intermediaries on individual policies:		
- Hadia to agent on first year contributions	(328,227)	(317,487)
- Hadia to agent on second year contributions	(37,249)	(53,780)
- Hadia to agent on subsequent year renewal contributions	(49,991)	(44,570)
- Hadia to agent on single contributions	(8,737)	(3,278)
- Other benefits to takaful intermediaries	(41,373)	(23,494)
Total hadia cost	(465,577)	(442,609)
Remuneration to takaful intermediaries on group contracts:		
- Hadia	(4,759)	(7,122)
- Other benefits to takaful intermediaries	(545)	(952)
	(5,304)	(8,074)
Other acquisition costs		
- Employee benefit costs	(205,609)	(232,334)
- Office repairs and maintenance	(29,873)	(24,071)
- Rent, rates and taxes	(28,856)	(30,868)
- Car fuel and maintenance	(27,869)	(35,500)
- Marketing cost	(16,050)	(27,663)
- Policy stamps	(14,480)	(12,294)
- Electricity, gas and water	(12,636)	(11,338)
- Entertainment	(5,222)	(6,599)
- Depreciation	(7,437)	(6,138)
- Travelling expenses	(4,702)	(3,313)
- Postage	(4,491)	(4,181)
- Training and development	(4,434)	(2,622)
- Depreciation - right of use asset	(1,735)	-
- Printing and stationery	(2,041)	(2,032)
- Financial charges	(1,873)	(824)
- Information technology expense	(1,814)	(1,706)
- Legal and professional charges	(1,130)	(853)
- Medical examination fee	(771)	(536)
- Insurance cost	(466)	(542)
- Miscellaneous	-	(471)
	(371,489)	(403,885)
	(842,370)	(854,568)

		2024	2023
	Note	------(Rupees in '000)-----	
22. MAKETING AND ADMINISTRATION EXPENSES			
Employee benefit cost	22.1	(72,762)	(51,485)
Legal and professional charges		(16,282)	(11,114)
Postage and courier		(13,063)	(13,624)
Depreciation		(16,311)	(13,600)
Information technology expenses		(8,257)	(8,059)
Vehicle running		(7,213)	(5,509)
Fees and subscription		(3,744)	(3,689)
Printing and stationery		(3,621)	(6,126)
Office repairs and maintenance		(3,462)	(4,784)
Electricity, gas and water		(1,775)	(2,479)
Travelling expenses		(1,711)	(1,209)
Appointed actuary's fee		(1,662)	(1,419)
Insurance expense		(914)	(359)
Auditor's remuneration		(879)	(674)
Rent expense		(869)	(1,187)
Other expense		(730)	(1,090)
Entertainment		(599)	(1,044)
Amortisation		(535)	(1,194)
Bank charges		(321)	(151)
Training and development		-	(56)
		<u>(154,710)</u>	<u>(128,852)</u>
22.1 Employee benefit cost			
Salaries, allowance and other benefits		(69,510)	(47,946)
Charges for post employment benefits	22.1.1	(3,252)	(3,539)
		<u>72,762</u>	<u>(51,485)</u>

22.1.1 The note for the retirement benefit obligation is not separately disclosed in these financial accounts, as the actuarial valuation estimates the liability at a total Company level rather than bifurcating it between conventional and takaful employees.

		2024	2023
	Note	------(Rupees in '000)-----	
23 OTHER EXPENSES			
Bonus Allocation to PIF		(48,237)	(36,919)
Charity and donations	23.1	(1,535)	(1,009)
Others		(1,250)	(2,116)
Expenses on behalf of PTF - tabbarru		(192)	(104)
Expenses on behalf of PTF - contribution		(54)	(73)
		<u>(51,268)</u>	<u>(40,221)</u>
24 INCOME TAX EXPENSES			
For the year			
- Deferred tax charge		(116,037)	(75,677)

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

24.1 Deferred tax liability

	2024			Balance as at December 31
	Balance as at January 01	Recognised in profit & loss account	Recognised in other comprehensive income	
Deductible / (taxable) temporary differences				
On retained earning - Ledger account D	166,330	116,037	-	282,367
	2023			
Deductible / (taxable) temporary differences				
On retained earning - Ledger account D	90,653	75,677	-	166,330

25 RELATED PARTY TRANSACTIONS

The related parties comprise of the holding company, directors, key management personnel, associated undertakings, group companies entities with common directors and staff gratuity fund. Related party transactions and balances, including those disclosed elsewhere in these financial statements are given below:

	2024	2023
Note	------(Rupees in '000)-----	
Transactions during the year		
Holding company		
Takaful expense	-	130
Associated undertakings		
Contribution written	41,722	30,344
Takaful expense	22,758	13,989
Hadia and other incentives in respect of bancatakaful	113,691	90,017
Profit on bank deposits	187,802	87,270
Bank charges	1,413	2,320
Investments purchased	1,987,090	705,407
Investments sold	1,421,295	2,336,329
Dividend income	67,720	108,010
Other related parties		
Contribution written	9,301	5,251
Takaful expense	500	22
Investments purchased	20,401	-
Investments sold	50,500	-
Investment advisor fee	3,959	4,886
Key management personnel		
Remuneration	27,153	19,910
Advances given to key management personnels	914	1,695
Recoveries against advances to key management personnels	772	484
Staff retirement benefit plan (gratuity fund)		
Charge for the year	9,656	4,309

	2024	2023
Note	----- (Rupees in '000) -----	
Balances outstanding as at the end of the year		
Associated undertakings		
Contribution due but unpaid	7,128	4,621
Bank deposits	2,406,533	1,272,955
Investments held	1,706,401	745,248
Hadia payable	28,444	29,164
Dividend receivables	-	6,092
Other related parties		
Contribution due but unpaid	2,894	438
Remuneration payable for the management of discretionary investment portfolio	-	767
Key management personnel		
Short term loans (as per policy)	651	805

26 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	----- (Rupees in '000) -----					
Fee	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	142,421	17,112
Compensated absence	-	-	-	-	309	664
Bonus	-	-	-	-	2,187	877
Rent and house maintenance	-	-	-	-	22,787	6,845
Utilities	-	-	-	-	1,424	1,711
Medical	-	-	-	-	1,107	1,681
Conveyance, other allowances and benefits	-	-	-	-	30,737	14,289
	-	-	-	-	200,972	43,179
					30	30

26.1 The remuneration of the CEO and Directors will remain the same is disclosed in financial statements of the Company. The cost is not broken down for Takaful Operations as the CEO and the Board is governing the Company as a whole including the Window Takaful Operations.

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

27. SEGMENTAL INFORMATION

27.1 REVENUE ACCOUNT BY STATUTORY FUND FOR THE YEAR ENDED DECEMBER 31, 2024

	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	Total
------(Rupees in '000)-----			
Income			
Contribution less re-takaful	4,065,482	82,616	4,148,098
Net investment income	3,635,322	43,715	3,679,037
Total net income	7,700,804	126,331	7,827,135
Takaful benefits and expenditures			
Takaful benefits including bonuses net of retakaful	(2,566,842)	(41,832)	(2,608,674)
Management expenses less recoveries	(990,935)	(11,695)	(1,002,630)
Total takaful benefits and expenditures	(3,557,777)	(53,527)	(3,611,304)
Excess of income over takaful benefits and expenditures	4,143,027	72,804	4,215,831
Net change in takaful liabilities (other than outstanding claims)	(3,763,985)	(29,312)	(3,793,297)
Surplus before tax	379,042	43,492	422,534
Movement in participants' liabilities	3,763,985	29,312	3,793,297
Surplus transferred to shareholders' fund	(125,000)	-	(125,000)
Balance of statutory funds at beginning of the year	12,112,926	160,871	12,273,797
Balance of statutory funds at end of the year	16,130,953	233,675	16,364,628

REVENUE ACCOUNT BY STATUTORY FUND FOR THE YEAR ENDED DECEMBER 31, 2023

	Individual Family Takaful Unit Linked Business	Group Life Family Takaful Business	Total
------(Rupees in '000)-----			
Income			
Contribution less re-takaful	3,791,638	87,264	3,878,902
Net investment income	2,372,840	32,315	2,405,155
Total net income	6,164,478	119,579	6,284,057
Takaful benefits and expenditures			
Takaful benefits including bonus net of re-takaful	(1,627,269)	(56,492)	(1,683,761)
Management expenses less recoveries	(976,520)	(12,790)	(989,310)
Total takaful benefits and expenditures	(2,603,789)	(69,282)	(2,673,071)
Excess of income over takaful benefits and expenditures	3,560,689	50,297	3,610,986
Net change in takaful liabilities (other than outstanding claims)	(3,316,394)	(42,754)	(3,359,148)
Surplus before tax	244,295	7,543	251,838
Movement in participants' liabilities	3,316,394	42,754	3,359,148
Surplus transferred to shareholders' fund	(100,000)	-	(100,000)
Balance of statutory funds at beginning of the year	8,652,237	110,574	8,762,811
Balance of statutory funds at end of the year	12,112,926	160,871	12,273,797

27.2 REVENUE ACCOUNT BY SUB STATUTORY FUND

	Note	Statutory funds		Aggregated	
		Individual Family Takaful	Group Family Takaful	2024	2023
----- (Rupees in '000) -----					
27.2.1 Operator's Sub Fund (OSF)					
Income					
Wakalah fee		702,596	29,547	732,143	713,998
Tharawat fee	27.2.3	223,479	-	223,479	163,656
Mudarib fee	27.2.2	19,401	23,918	43,319	15,770
Bid offer spread		169,300	-	169,300	157,577
Participants' takaful fund management income	27.2.2	85,544	-	85,544	93,928
Income against admin cost charged to PIF	27.2.3	40,623	-	40,623	40,400
Investment income		192,286	3,898	196,184	103,589
Total income		1,433,229	57,363	1,490,592	1,288,918
Expenditures					
Acquisition costs		(837,067)	(5,304)	(842,370)	(854,568)
Administration cost and others		(150,989)	(6,294)	(157,283)	(131,440)
Claim related expenses		(1,050)	(1,500)	(2,550)	(1,089)
Bonus allocation to PIF	27.2.3	(48,237)	-	(48,237)	(36,919)
Expenses on behalf of PTF - premium		(54)	-	(54)	(73)
Expenses on behalf of PTF - tabbarru		(191)	-	(191)	(104)
Total management cost		(1,037,588)	(13,098)	(1,050,685)	(1,024,193)
Excess of income over expenditure		395,641	44,265	439,907	264,725
Technical reserve at the beginning of the year		66,715	3,071	69,786	56,899
Less: Technical reserve at end of the year		(83,465)	(3,748)	(87,213)	(69,786)
Movement in technical reserves		(16,750)	(677)	(17,427)	(12,887)
Surplus for the year		378,891	43,588	422,480	251,838
Movement in technical reserves		16,750	677	17,427	12,887
Surplus transferred to Shareholders' Fund		(125,000)	-	(125,000)	(100,000)
Refund of Qard-e-Hasna to PTF		22,500	-	22,500	-
Balance of Operator's Sub Fund at the beginning of the year		454,555	17,559	472,114	307,389
Balance of Operator's Sub Fund at end of the year		747,696	61,824	809,521	472,114
Represented by:					
Capital contributed by shareholders' fund		-	10,000	10,000	10,000
Capital contributed to group family takaful		-	(10,000)	(10,000)	(10,000)
Surplus transferred to shareholders' fund Qard-e-Hasna to PTF		(125,000)	-	(125,000)	(100,000)
Technical reserve at end of the year		83,465	3,748	87,213	69,786
Retained earnings on other than participating business		789,231	58,076	847,307	524,828
Balance of Operator's Sub Fund		747,696	61,824	809,520	472,114

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

	Statutory funds		Aggregated	
	Individual Family Takaful	Group Family Takaful	2024	2023
Note	----- (Rupees in '000) -----			
27.2.2 Participants' Takaful Fund (PTF)	-			
Income				
Allocated contribution	33,309	114,731	148,040	158,966
Tabarru income	211,221	-	211,221	230,801
Retakaful ceded	(49,121)	(61,662)	(110,783)	(109,157)
Total contribution income net of retakaful	195,409	53,069	248,478	280,610
Investment income	53,028	39,817	92,845	63,167
Total income	248,437	92,886	341,323	343,777
Expenditure				
Participants' Takaful fund management charges	27.2.1 (85,544)	-	(85,544)	(93,928)
Mudarib fee	27.2.1 (19,401)	(23,918)	(43,319)	(15,770)
Expenses	-	(1)	(1)	-
Surplus transferred to PIF	(62,468)	-	(62,468)	(15,770)
Death claim expense net of retakaful recoveries	(69,876)	(40,332)	(110,208)	(129,659)
	(237,289)	(64,251)	(301,540)	(239,357)
Excess of income over expenditure	11,148	28,635	39,783	104,420
Technical reserve at the beginning of the year	281,533	107,683	389,216	284,796
(Less): technical reserve at end of the year	(114,865)	(15,466)	(130,331)	(134,963)
(Less): surplus retained in technical reserves	(177,816)	(120,852)	(298,668)	(254,253)
Movement in technical reserve	(11,148)	(28,635)	(39,783)	(104,420)
Surplus for the year	-	-	-	-
Movement in technical reserve	11,148	28,635	39,783	104,420
Capital contribution by OSF	-	-	-	-
Qard-e-Hasna refund by PTF	(22,500)	-	(22,500)	-
Balance of Participants' Takaful Fund at beginning of the year	304,533	143,313	447,846	343,426
Balance of Participants' Takaful Fund at end of the year	293,181	171,948	465,129	447,846
Represented by:				
Money ceded to Waqf Funds	500	-	500	500
Capital contribution by OSF	-	35,630	35,630	35,630
Qard-e-Hasna received by PTF	-	-	-	22,500
Participants' liabilities	292,681	136,318	428,999	389,216
Balance of statutory fund	293,181	171,948	465,129	447,846

	Note	Statutory funds		Aggregated	
		Individual Family Takaful	Group Family Takaful	2024	2023
----- (Rupees in '000) -----					
27.2.3 Participants' Investment Fund (PIF)					
Income					
Allocated contribution		3,209,398	-	3,209,398	2,957,518
Bonus allocation from OSF	27.2.1	48,237	-	48,237	36,919
Surplus distribution from PTF		62,468	-	62,468	-
Investment income		3,390,008	-	3,390,008	2,238,399
Total net income		6,710,111	-	6,710,111	5,232,836
Less: claims expense					
Surrender - regular		(1,905,389)	-	(1,905,389)	(1,013,218)
Surrender - top up		(206,033)	-	(206,033)	(278,165)
Maturity		(340,806)	-	(340,806)	(226,612)
Death claim		(43,688)	-	(43,688)	(35,018)
		(2,495,916)	-	(2,495,916)	(1,553,013)
Expenditures					
Tabarru charges		(211,030)	-	(211,030)	(230,697)
Tharawat fee	27.2.1	(223,479)	-	(223,479)	(163,656)
Administration charges	27.2.1	(40,623)	-	(40,623)	(40,400)
Other expenses		(1,535)	-	(1,535)	(1,009)
Bank charges		(1,441)	-	(1,441)	(2,220)
		(478,108)	-	(478,108)	(437,982)
Excess of income over expenditures		3,736,087	-	3,736,087	3,241,841
Technical reserve at the beginning of the year		11,353,837	-	11,353,837	8,111,996
Less: technical reserve at the end of the year		15,089,924	-	15,089,924	11,353,837
Movement in technical reserve		3,736,087	-	3,736,087	3,241,841
Surplus for the year		-	-	-	-
Movement in technical reserve		3,736,087	-	3,736,087	3,241,841
Balance of statutory funds at beginning of the year		11,353,837	-	11,353,837	8,111,996
Balance of statutory funds at end of the year		15,089,924	-	15,089,924	11,353,837
Represented by:					
Balance of statutory funds at end of the year		15,089,924	-	15,089,924	11,353,837

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27.3 Segmental results by line of business For the year ended December 31, 2024

Income

Gross Contribution

- First year individual regular contribution
- Individual renewal contribution
- Individual single contribution
- Group contribution

Total gross contribution

Retakaful contribution

- Individual
- Group

Total ratakaful contribution

Net contribution revenue

Net investment income

Total Income

Takaful benefits and expenditures

- Takaful benefits net of retakaful
- Management expenses less recoveries

Total takaful benefits and expenditures

Excess of income over takaful benefits and expenditures

Add: Participants' liabilities at beginning of year

Less: Participants' liabilities at end of year

Surplus / (deficit) for the year

	Individual life distributed through banks	Other lines of business	Total
----- (Rupees in 000) -----			
	511,569	563,519	1,075,088
	1,954,741	719,429	2,674,170
	167,800	197,545	365,345
	(32)	144,310	144,278
Total gross contribution	2,634,078	1,624,803	4,258,881
	(29,256)	(19,865)	(49,121)
	-	(61,662)	(61,662)
Total ratakaful contribution	(29,256)	(81,527)	(110,783)
Net contribution revenue	2,604,822	1,543,276	4,148,098
Net investment income	3,260,328	466,946	3,727,274
Total Income	5,865,150	2,010,222	7,875,372
	(2,332,754)	(275,920)	(2,608,674)
	(302,496)	(748,425)	(1,050,921)
Total takaful benefits and expenditures	(2,635,250)	(1,024,345)	(3,659,595)
Excess of income over takaful benefits and expenditures	3,229,900	985,877	4,215,777
Add: Participants' liabilities at beginning of year	10,234,644	1,578,195	11,812,839
Less: Participants' liabilities at end of year	(12,918,539)	(2,687,597)	(15,606,136)
Surplus / (deficit) for the year	546,005	(123,525)	422,480

Segmental results by line of business For the year ended December 31, 2023

Income

Gross contribution

- First year individual regular premiums
- Individual renewal contribution
- Individual single contribution
- Group contribution

Total gross contribution

Retakaful contribution

- Individual
- Group

Total ratakaful contribution

Net contribution revenue

Net investment income

Total Income

Takaful benefits and expenditures

- Takaful benefits net of retakaful
- Management expenses less recoveries

Total takaful benefits and expenditures

Excess of income over takaful benefits and expenditures

Add: Participants' liabilities at beginning of year

Less: Participants' liabilities at end of year

Surplus / (deficit) for the year

	Individual life distributed through banks	Other lines of business	Total
----- (Rupees in 000) -----			
	325,956	524,956	850,912
	2,368,516	546,891	2,915,407
	19,546	58,511	78,057
	-	143,683	143,683
Total gross contribution	2,714,018	1,274,041	3,988,059
	(36,082)	(16,656)	(52,738)
	-	(56,419)	(56,419)
Total ratakaful contribution	(36,082)	(73,075)	(109,157)
Net contribution revenue	2,677,936	1,200,966	3,878,902
Net investment income	2,285,241	119,914	2,405,155
Total Income	4,963,177	1,320,880	6,284,057
	(1,495,635)	(188,126)	(1,683,761)
	(276,196)	(713,114)	(989,310)
Total takaful benefits and expenditures	(1,771,831)	(901,240)	(2,673,071)
Excess of income over takaful benefits and expenditures	3,191,346	419,640	3,610,986
Add: Participants' liabilities at beginning of year	7,550,255	862,744	8,412,999
Less: Participants' liabilities at end of year	(10,193,952)	(1,578,195)	(11,772,147)
Surplus / (deficit) for the year	547,649	(295,811)	251,838

28. MOVEMENT IN INVESTMENTS

	Held to Maturity	Available for sale	Fair value through profit or loss	Total
----- (Rupees in '000) -----				
As at January 1, 2023	2,175,000	-	3,952,480	6,127,480
Additions	22,960,000	-	11,332,800	34,292,800
Disposals (sale and redemptions)	(25,060,000)	-	(6,058,212)	(31,118,212)
Fair value net gains (excluding net realised gains / losses)	-	-	490,297	490,297
As at December 31, 2023	75,000	-	9,717,365	9,792,365
Additions	-	-	11,628,104	11,628,104
Disposals (sale and redemptions)	(75,000)	-	(8,256,050)	(8,331,050)
Fair value net gains (excluding net realised gains / losses)			873,837	873,837
As at December 31, 2024	-	-	13,963,256	13,963,256

29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

29.1 Financial risk management objectives and policies

The Operator is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk in relation to the financial statements on its statement of financial position. The Operator's overall risk management seeks to minimize potential adverse effects on the Operator's financial performance of such risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Operator's risk management framework. There are Board Committees and Management Committees for developing risk management policies and its monitoring.

29.1.1 Market risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Operator is exposed to market risk with respect to its investments and with respect to products other than unit linked products (where the investment risk is passed on to policyholders). The Operator limits market risk by maintaining a diversified portfolio and by continuously monitoring developments in government securities and equities.

29.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Operator, at present is not materially exposed to currency risk as majority of the transactions are carried out in Pakistan Rupees.

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29.1.3 Other price risk

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

29.1.4 Equity price risk

The Operator's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Operator limits market risk by maintaining a diversified portfolio. In addition, the Operator actively monitors the key factors that affect stock market.

Sensitivity Analysis

In case of 1% increase / (decrease) in PSX 100 index as at December 31, 2024 with all other variables held constant, the profit and loss and other comprehensive income / (loss) would have been increase / (decrease) by Rs. 51 million (2023: 11.94 million) as result of gain/(losses) on equity securities. The analysis is based on the assumption that the equity index had increased / (decreased) by 1% with all other variables held constant and represents management's best estimate of a reasonable possible shift in PSX 100 index, having regard to the historical volatility of the index.

29.1.5 Profit rate risk

Profit rate sensitivity measures the degree with which a fixed-income asset price moves with changes in profit rates. Profit rates and fixed-income asset prices are inversely correlated. More interest rate sensitivity means an asset's price fluctuates more with a change in profit rates.

Debt securities held to maturity as accounted for at amortised cost and their carrying amounts are not sensitive to changes in the levels of profit rates.

Management monitors the sensitivity of reported profit rate movements periodically by assessing the expected changes in the different portfolios due to parallel movement of 100 basis points in all yield curves.

An increase in 100 basis points in profit yield would result in a loss of Rs. 88.643 million (2023: Rs. 38.42 million).

A decrease in 100 basis points in profit yield would result in a gain of Rs. 88.643 million (2023: Rs. 38.42 million).

29.1.6 Liquidity risk

Liquidity risk is the risk that the Operator 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 Operator could be required to pay its liabilities earlier than expected or it encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Operator is maintaining sufficient liquid assets both in the form of cash deposits and liquid securities to meet its long term and short term cash requirements.

29.1.7 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.

Concentration of credit risk arises when a number of counter parties have similar types of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in a similar manner. Major credit risk arises in credit exposure to group life policyholders on account of contribution due but unpaid and on bank balances.

The management monitors exposure to credit risk through regular review of credit exposure and assessing credit worthiness of counter parties. The maximum exposure to credit risk at the reporting date is:

	2024	2023
	------(Rupees in '000)-----	
Debt securities	262,332	261,272
Open-ended mutual funds	3,585,453	-
Takaful / retakaful receivables	15,804	30,138
Term deposits	-	75,000
Accrued income on investments and others	217,578	342,056
Cash and bank	2,604,748	2,333,660
	<u>6,685,915</u>	<u>3,042,126</u>

The credit quality of the Operator's bank balances (including term deposits) can be assessed with reference to external credit ratings as follows:

	2024	2023
	------(Rupees in '000)-----	
<u>Ratings of Banks*</u>		
A	2,332,558	1,224,659
A+	29,290	30,183
AA	6,484	8,748
AA-	2,705	1,029,261
AA+	103,999	10,961
AAA	129,712	29,848
	<u>2,604,748</u>	<u>2,333,660</u>

*Rating of banks performed by PACRA and VIS Credit Rating Company.

The credit quality of Operator's exposure on corporate sukuku can be assessed with reference to rating issued by rating agency as follows:

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		2024	2023
		----- (Rupees in '000) -----	
Issuer of corporate sukuku **			
Dubai Islamic Bank Pakistan Limited Sukuk	AA-	22,044	22,132
Meezan Bank Limited Sukuk	AAA	62,649	63,977
Meezan Bank Ltd - Sukuk	AAA	50,410	50,126
Pakistan Energy Sukuk II	Sovereign	127,229	125,038
		262,332	261,272

**Rating of issuers of TFCs and corporate sukuku performed by PACRA and VIS Credit Rating Company.

Investment in Government securities are not exposed to any credit risk.

29.1.8 Retakaful risk

In order to minimize the financial exposure arising from large claims, the Operator, in the normal course of business, enters into agreement with other retakaful operators.

Retakaful contribution ceded does not relieve the Operator from its obligation to the policyholders and as a result, the Operator remains liable for the portion of outstanding claims insured through retakaful, to the extent that reinsurer fails to meet the obligation under the retakaful agreements.

In order to manage this risk, the Operator obtains reinsurance covers only from companies with sound financial health.

29.1.9 Profit rate risk exposure

Profit rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market profit rates. The Operator invests in securities and has bank balances and deposits that are subject to profit rate risk. The Operator limits profit rate risk by monitoring changes in profit rates in the currencies in which its cash and investments are denominated.

The information about Operator's exposure to profit rate risk based on contractual repricing or maturity dates as of December 31, 2024, whichever is earlier, is as follows:

On balance sheet financial instruments	2024						Total
	Profit bearing			Non profit bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
----- (Rupees in '000) -----							
Assets							
Investments	2,975,546	5,888,786	8,864,332	5,098,924	-	5,098,924	13,963,256
Takaful / retakaful receivables	-	-	-	15,804	-	15,804	15,804
Accrued income on investments and others	-	-	-	217,578	-	217,578	217,578
Cash and bank	2,449,061	-	2,449,061	155,687	-	155,687	2,604,748
	5,424,607	5,888,786	11,313,393	5,487,993	-	5,487,993	16,801,386
Liabilities							
Lease liabilities	71,661	-	71,661	-	-	-	71,661
Other creditors and accruals	-	-	-	177,068	-	177,068	177,068
	71,661	-	71,661	177,068	-	177,068	177,068
	5,352,946	5,888,786	11,241,732	5,310,925	-	5,310,925	16,624,318

On balance sheet financial instruments	2023						Total
	Profit bearing			Non profit bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
----- (Rupees in '000) -----							
Assets							
Investments	2,378,908	5,426,618	7,805,526	1,911,839	-	1,911,839	9,717,365
Takaful / retakaful receivables	-	-	-	22,669	-	22,669	22,669
Loans and other receivables	-	-	-	342,056	-	342,056	342,056
Cash and bank	2,243,269	-	2,243,269	90,391	-	90,391	2,333,660
	4,622,177	5,426,618	10,048,795	2,366,955	-	2,366,955	12,415,750
Liabilities							
Other creditors and accruals	-	-	-	146,708	-	146,708	146,708
	-	-	-	146,708	-	146,708	146,708
	4,622,177	5,426,618	10,048,795	2,220,247	-	2,220,247	12,269,042

30. TAKAFUL RISK

30.1 Individual Family Takaful Unit Linked Business

The risk covered is mainly death and sometimes disability and / or critical illness. The risk of death and disability will vary from region to region. The PTF may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The PTF may also face the risk of poor investment return, and liquidity issues on monies invested in the fund. The PTF faces the risk of inadequacy of the Mortality Charge (Takaful Contribution) particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency can lead to an impact on the size of the PTF. A larger PTF may allow for a greater degree of cross subsidization of Mortality Risk, increasing the probability of convergence between actual and expected Mortality experience.

The Operators manages these risks through its underwriting, retakaful, claims handling policy and other related controls. The Operators has a well defined medical under-writing policy and avoids issuing cover to high risk individuals. This puts a check on anti selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of contribution charged for risk underwritten by the PTF. Retakaful contracts have been purchased by the Operators to limit the maximum exposure on any one participant. The Operators has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency, the Operators applies quality controls on the standard of service provided to Participants of the PTF and has placed checks to curb mis-selling and improvement in the standard of customer service. For this, a regular branch wise monitoring of lapsation rates is conducted. On the claims handling side, the Operators has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, a Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Operators maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Operators. The Operators reserves the right to review the Takaful Contributions deductible under the contracts, thus limiting the risk of under pricing.

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Frequency and severity of claims

The Operators measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Operators charges for mortality risk on a monthly basis for all Takaful contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may hinder its mitigating effect. The Operators manages these risks through its underwriting strategy and retakaful arrangements.

The table below presents the concentration of covered benefits across five bands of covered benefits per participant. The benefit covered figures are shown gross and net of the retakaful contracts described above.

The amounts presented are showing total exposure of the PTF including exposure in respect of riders attached to the main policies.

Benefits covered per life	Sum assured at the end of December 2024			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-200,000	1,437,350	3.50%	1,431,011	5.88%
200,001 - 400,000	3,636,377	8.85%	3,624,825	14.91%
400,001 - 800,000	7,252,454	17.65%	6,764,273	27.81%
800,001 - 1,000,000	4,284,593	10.43%	3,188,438	13.11%
More than 1,000,000	24,487,486	59.58%	9,310,683	38.29%
Total	41,098,260		24,319,230	

Benefits covered per life	Sum assured at the end of December 2023			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-200,000	714,077	1.62%	710,393	2.66%
200,001 - 400,000	3,718,603	8.46%	3,705,750	13.89%
400,001 - 800,000	9,977,389	22.70%	9,575,599	35.90%
800,001 - 1,000,000	9,176,454	20.87%	6,662,523	24.98%
More than 1,000,000	20,376,378	46.35%	6,022,015	22.57%
Total	43,962,901		26,676,280	

a) Sources of uncertainty in the estimation of future benefit payments and contribution receipts

Uncertainty in the estimation of future benefit payments and contribution receipts for long-term unit linked takaful contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in participant's behaviour.

b) Factors impacting future benefit payments and contribution receipts are as follows:

The Operator assumes the expected mortality to be 80% of SLIC (2001-05). Morbidity incidence rates are taken as a percentage of reinsurer's risk premium rates.

Persistency: The Operator's exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

c) Process used to decide on assumptions

For long-term unit linked takaful contracts, assumptions are made in two stages. At inception of the contract, the Operator determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

Mortality: The Operator assumes the expected mortality to be 80% of SLIC (2001-05)

Persistency: The Operator exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

Expense levels and inflation: A periodic study is conducted on the Operators's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.

Investment returns: The investment returns are based on the historic performance of the assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

e) Sensitivity analysis

After retakaful, the overall liability for individual life takaful business stands at less than 1% of the total policyholder liability held in respect of individual life business. Due to its immateriality, sensitivity analysis has not been conducted.

30.2 Group Life Family Takaful

The main risk exposure of the PTF is mortality risk. The PTF may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality, writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The PTF also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of takaful contributions in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

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The Operator manages these risks through underwriting, retakaful, effective claims handling and other related controls. The Operator has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done using the retakaful rates. The contribution charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Operator also maintains an MIS to track the adequacy of the takaful contribution charged. Retakaful contracts have been purchased by the Operator to limit the maximum mortality exposure of any one covered person. The Operator ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Operator ensures that payment of any fraudulent claims is avoided. Strict monitoring is in place in order to keep the outstanding balances of contribution at a minimum, especially the ones that are due for more than 90 days. The bulk of the assets held against liabilities of this line of business are cash to money market with short durations and high liquidity, thus mitigating the risk of asset value deterioration and liability mismatch.

Frequency and severity of claims

The Operator measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

The table below presents the concentration of covered benefits across five bands of covered benefits per participant. The benefit covered figures are shown gross and net of the retakaful contracts described above.

The amounts presented are showing total exposure of the PTF including exposure in respect of riders attached to the main policies.

Benefits covered per Participant	Sum assured at the end of December 2024			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-500,000	20,535,779	17.50%	19,764,720	34.24%
500,001-1,000,000	29,973,832	25.54%	21,397,329	37.07%
1,000,001-1,500,000	9,336,854	7.96%	4,568,500	7.91%
1,500,001-2,000,000	6,135,219	5.23%	2,072,500	3.59%
More than 2,000,000	51,374,866	43.78%	9,925,500	17.19%
Total	117,356,550		57,728,549	

Benefits covered per Participant	Sum assured at the end of December 2023			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-500,000	19,686,582	18.46%	16,610,106	29.14%
500,001-1,000,000	25,582,096	23.99%	18,939,497	33.22%
1,000,001-1,500,000	5,820,659	5.46%	2,958,381	5.19%
1,500,001-2,000,000	4,590,755	4.31%	2,014,673	3.53%
More than 2,000,000	50,941,012	47.78%	16,483,724	28.92%
Total	106,621,104		57,006,381	

a) Sources of uncertainty in the estimation of future benefit payments and contribution receipts

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

b) Process used to decide on assumptions

The business is too new for any meaningful investigation into the group's past experience. However, industry experience, the insured group's own past experience and retakaful risk rates are used to determine the expected level of risk in relation to the SLIC (2001-05) Individual Life Ultimate Mortality Table.

c) Changes in assumptions

There are no changes in assumptions.

d) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in Variable	Increase in liability 2024 (Rupees in '000)
Worsening of mortality rates for risk policies	+10% pa	834
Increase in reporting lag	+10% pa	834

30.3 Liability Adequacy Test

Liability adequacy test is applied to all long term contracts. Liability adequacy test is carried out using current best estimates of assumptions and future net cash flows, including premiums receivable, benefits payable and investment income from related assets.

To determine the adequacy of liabilities, assumptions must be based on realistic best estimates. We have compared our valuation mortality assumption (SLIC mortality table) with the mortality of developing Asian countries, namely: India and Malaysia. The comparison suggests that the best estimate assumption is better than the experience reflected in SLIC mortality table.

The investment return assumed for valuation is 3.75% per annum. This rate is prescribed by law. We have valued our liabilities based on the 10-Year PIB rate of 12.7989%% to determine adequacy.

The table below compares total participant liabilities Individual Family Takaful Unit Linked Business under existing valuation basis with participant liabilities calculated using best estimate assumptions:

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

Assumptions	Participant liabilities on existing valuation basis	Participant liabilities using best estimate assumptions
Mortality	15,288,253	15,272,020
Investment Returns	15,288,253	15,287,947

(Rupees in '000)

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

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.

The Operator measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	As at December 31, 2024				Fair value				
	Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
Financial assets measured at fair value									
- Investments									
Government Securities (Sukuks)	-	8,602,000	-	-	8,602,000	-	8,602,000	-	8,602,000
Equity securities	-	1,513,471	-	-	1,513,471	1,513,471	-	-	1,513,471
Open-ended mutual funds	-	3,585,453	-	-	3,585,453	3,585,453	-	-	3,585,453
Debt securities (Corporate sukuks)	-	262,332	-	-	262,332	-	262,332	-	262,332
Financial assets not measured at fair value									
- Balances with banks	-	-	2,604,748	-	2,604,748				
- Term deposit receipts	-	-	-	-	-				
- Takaful / retakaful receivables	-	-	15,804	-	15,804				
- Accrued income on investments and others	-	-	217,578	-	217,578				
	-	13,963,256	2,838,130	-	16,801,386				
Financial Liabilities measured at fair value									
- Takaful liabilities (Investment component of unit linked and account value policies)	-	-	-	15,089,924	15,089,924	-	15,089,924	-	15,089,924
Financial liabilities not measured at fair value									
- Other creditors and accruals	-	-	-	177,068	177,068				
	-	-	-	15,266,992	15,266,992				

As at December 31, 2023

	Carrying value				Fair value				
	Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000') -----									
Financial assets measured at fair value									
- Investments									
Government Securities (Sukuks)	-	7,544,254	-	-	7,544,254	-	7,544,254	-	7,544,254
Equity securities	-	1,194,109	-	-	1,194,109	1,194,109	-	-	1,194,109
- Open-ended mutual funds	-	717,730	-	-	717,730	717,730	-	-	717,730
Debt securities (Corporate sukuks)	-	261,272	-	-	261,272	-	261,272	-	261,272
Financial assets not measured at fair value									
- Takaful / retakaful receivables	-	-	30,138	-	30,138				
- Term deposit	-	-	75,000	-	75,000				
- Accrued income on investments	-	-	342,056	-	342,056				
- Balance with banks	-	-	2,333,660	-	2,333,660				
	-	9,717,365	2,780,854	-	12,498,219				
Financial Liabilities measured at fair value									
- Takaful Liabilities (Investment component of unit linked and account value policies)	-	-	-	11,354,261	11,354,261	-	11,354,261	-	11,354,261
Financial liabilities not measured at fair value									
- Other creditors and accruals	-	-	-	146,708	146,708				
	-	-	-	11,500,969	11,500,969				

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2024

32. Statement of Solvency	Individual Family Takaful Unit Linked Business	Group Family Takaful Business
Particulars	------(Rupees in '000)-----	
Assets		
Rights of use assets	87,800	-
Investments		
Equity securities	5,057,664	41,260
Government sukuks	8,657,843	92,234
Debt securities	262,332	-
(Insurance / takaful) / (reinsurance / retakaful) receivables	-	22,084
Takaful / retakaful receivables		-
Other loans and receivables	69,502	47,764
Taxation - payments less provision	189,905	-
Cash and Bank	2,573,890	40,131
Total Assets (A)	16,898,936	243,473
Inadmissible assets as per following clauses of section 32 (2) of Insurance Ordinance, 2000		
- Inter-fund	(28,051)	(36,080)
- Excess of prohibited limit		(1,549)
- Loan to employees	(2,797)	-
- Excess of lease assets from corresponding liability	(16,139)	-
- Contribution more than 90 days	-	(12,736)
Total of in-admissible assets (B)	(46,987)	(50,365)
Total admissible assets (C = A-B)	16,851,949	193,108
Total liabilities		
Takaful liabilities net of retakaful recoveries	288,539	2,830
Retirement benefit obligations	1,224	-
Contribution received in advance	163,167	6,955
Takaful / retakaful payables	18,724	-
Other creditors and accruals	295,829	13
Total liabilities (D)	767,483	9,798
Total net admissible assets (E = C-D)	16,084,466	183,310
Minimum solvency requirement		
Policyholders liability	(15,466,070)	(140,066)
Solvency margin	(169,615)	(18,068)
	(15,635,685)	(158,134)
Excess in net admissible assets over minimum requirements	448,781	25,176

33. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Operator in their meeting held on February 25, 2025.



S. Muhammad Jawed
Chairman



Muhammad Ali Zeb
Director



Shahmeer Khalid Butt
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Other Information





Branch Network

HEAD OFFICE			
CITY	ADDRESS	GOOGLE PIN	CONTACT DETAILS
KARACHI	3rd and 4th Floor, Adamjee House, I.I Chundigarh Road, Karachi	24.8492620,67.0001870	Tel # 021-38677100 Fax # 021-38630011
LAHORE	4th floor Plot No. 27-C-3, M. M. Alam Road, Gulberg-III, Lahore	31.5041139,74.3489671	04232033055
REGISTERED OFFICE			
CITY	ADDRESS	GOOGLE PIN	CONTACT DETAILS
ISLAMABAD	Office No. 505, Islamabad Stock Exchange, 5th Floor, Islamabad Tower, Blue Area, Islamabad	33.711900,73.057800	051-8094670
Bancassurance Offices			
CITY	ADDRESS	GOOGLE PIN	CONTACT DETAILS
HYDERABAD	Dawood Centre, Office No. 207, 7th Floor, Plot No. A/20, Autobhan Road, Hyderabad	25.3763020,68.3384770	022-8339900
MULTAN	Office # 1 to 4 3rd Floor, United Mall Plot # 74, Abdali road Multan	30.1939150,71.4514190	061-8021650
LAHORE	4th floor Plot No. 27-C-3, M. M. Alam Road, Gulberg-III, Lahore	31.5041139,74.3489671	04238003000
FAISALABAD	Office no.2 6th floor,Meezan Executive Tower,Plot no.4-Liaquat Road, Faisalabad	31.4242830,73.0770250	041-5000004
ISLAMABAD	Office No. 505, Islamabad Stock Exchange, 5th Floor, Islamabad Tower, Blue Area, Islamabad	33.711900,73.057800	051-8094684
PESHAWAR	Office No.174-175, 3rd Floor, Deans Trade Centre, Islamia Road, Peshawar Cantt., Peshawar	34.001118,71.545492	091-70100002
AGENCY DISTRIBUTION OFFICES - CONVENTIONAL			
CITY	ADDRESS	GOOGLE PIN	CONTACT DETAILS
KARACHI	Office # 101- 102, 1st Floor, Faiyaz Centre, Main Shahrah e Faisal Karachi	24.859989,67.0535500	021-38782700
LAHORE	Plot No 21, Block "L", Johar Town, Lahore	31.46890,74.26937	042-38104800
LAHORE	Plot # 31C, 2nd floor Cavalry Ground Lahore Cant, Lahore	31.50710105124455, 74.3639359022416	042-37250224
LAHORE	2nd Floor, 148-01 B/2, Township Quaid-e-Azam Town, Lahore	31.46863,74.26941	042-38003200
LAHORE	1st floor, 87-E Nishtar commercial Bahria Town Lahore.	31.362707, 74.182846	0330-4000445
FAISALABAD	2nd Floor, Faisal Complex Opposite Pizza hut, Bilal Road, Civil lines, Faisalabad	31.432910,73.079796	041-5270269
OKARA	1st floor, Irfan Plaza, M.A Jinnah Road, Okara.	30.805519,73.437904	044-2511018

AGENCY DISTRIBUTION OFFICES - CONVENTIONAL

CITY	ADDRESS	GOOGLE PIN	CONTACT DETAILS
SANGLA HILLS	Old Kachery Road, Near Madina Chowk, Model Town, Sangla Hill	31.71748,73.37890	048-3767917
SHEIKHPURA	Ground floor, near Dar-ul-Barkat Hospital, Stadium Road, Sheikupura	31.711515,73.973386	056-3610321
JHELUM	Mohallah Mujahida Abad Near Food Goddam Gate, GT Road, Jehlum.	32.944606,73.713369	0544-274253
GUJRANWALA	1st Floor, Noble Plaza, Above Glodfin Bank, Shaheenabad, Gt Road, opposite Khidmat e Markez, Gujranwala.	32.193428, 74.178752	0300-5038013
JHANG	Khewat-No. 71, Khtooni-No. 210, Church Road, Upper hall, Orix leasing, Jhang	31.26786, 72.32013	047-7622264
MULTAN	1st Floor, Orient Mall Opposite City College, Khanywal Road Multan .	30.2100148,71.5081474	0314-6121111
BAHAWALPUR	First Floor, Abbasi Manzil, Girls School Road, Near University Chowk, Bahwalpur	29.3976080,71.6941160	062-30000002
LAYYAH	Plot No.1, Street No. A, Block No. Z, Rohani Plaza, Opposite Post Graduate Degree College, Layyah	30.974050,70.957560	060-6200002
BAHAWALNAGAR	First Floor, Auto Zone Workshop, Opposite Boys Degree College, Bhawalnagar	29.994865,73266530	063-8001000
SAHIWAL	Five Way Chowk, Liaquat Pur Road, Sahiwal	30.663704,73.099682	040-8009000
VEHARI	1st Floor, Owais City Centre, Car Khana Bazar, near Faisal Bank Vehari.	30.040254,72.349452	067-3365455
BUREWALA	Opposite 1122 Rescue office Near Kuhachari Main Multan Road Burewala	30.04073,72.34904	067-3351635
DUNYA PUR	Plot No 0244, Block No, DV-291/1, Dokotta Chowk near Al-Jannat masjid Link Road Super Highway Road, Dunyapur	31.614405, 71.078971	0608-304545
MUZAFARGARH	Jhang Road Near Railway Phatk, Muzafargarh	30.083578,71.186580	066-8010002
D.G KHAN	Ground Floor, Punjab Plaza 1122 Office Chowk Churhatta DG Khan	30.0680625,70.6467031	064-2407558
BHAKKAR	Shop no, 2617, ward No. 12, Kinal road near khachari, Pul Bhakkar city	31.6141970,71.0787440	0453-514112
KOT ADDU	Opposite Gulshan e Usman Colony, Near Aba Seel, CNG Petrol Pump Kot Addu	30.453947,70.966570	066-2900175
KAROR LAL ESAN	Main Karor Laal Road Plaza Stop, Karor Lal Esan	31.217570,70.954025	0606-811750
KHANEWAL	Plot no.68/A, Street No,3, Block No,10, Bhtta Chok Near Rana ikram ul haq chock Khanewal	30.295957,71.918999	065-2553306
SARGODHA	1st Floor, Office No. 04, Qureshi Arcade, Khushab Road, Sargodha	32.090454,72.657661	048-3767917
JAMPUR	House No.7, Ejaz Serwar colony, New Bus Adda, Indus Highway, Rajenpur Road, Jampur	29.623760,70.583044	0604-685772

Branch Network

AGENCY DISTRIBUTION OFFICES - CONVENTIONAL

CITY	ADDRESS	GOOGLE PIN	CONTACT DETAILS
FATEHPUR	Shop No 1, near farooq miner road, opposite zeri trakiati bank by pass road, Fatehpur.	31.187420, 71.207885	0606-840102
RAHIM YAR KHAN	Hostel Road, Opposite Silver center, 12/B Model Town, Rahim Yar Khan	28.420686,70.313720	068-2010002
TAUNSA SHARIF	Faiz ul Hassnan chock, Near DSP office Mangritha Road Taunsa Sharif.	30.703120, 70.642137	'064-2602929
RAWALPINDI	Plot No. 67-A, Main Muree Road, Zarwar Centre, Rawalpindi	33.639269,73.076475	051-8109995
ABBOTTABAD	Office no. 212 Etihad Building, 2nd Floor opposite Kashmir Mall, Main Mansehra Road, Abbottabad.	34.173278,73.226888	0992-331776
PESHAWAR	Deans Trade Center, Office # FF886, 2nd floor, Islamia Road, Peshawar Cantt, Peshawar.	34.000694,71.546027	091-5276925
CHITRAL	1st floor Nido milk plaza, Bypass road Chitral, KPK.	35.857511,71.786233	0943-412731
SKARDU	2nd Floor, GM Plaza, Almdar Chowk, Skardu	35.289477,75.634855	5815551099
MIAN CHANNU	Plot No 348/16, Amin Trade center, Near Soneri Bank Main GT Road, Mian Channu.	30.436913, 72.349939	0300-6890886

AGENCY DISTRIBUTION OFFICE - TAKAFUL

CITY	ADDRESS	GOOGLE PIN	CONTACT DETAILS
HYDERABAD	Block D - 204, Unit No. 07, Mezzanine Floor, Opposite American Hospital, Latifabad, Hyderabad	25.372740,68.355306	022-3810184
MIRPURKHAS	Flat No. 716, Near Kaly Khan Pump, Above Faysal Bank, Mirpurkhas	25.52804, 69.01832	0233-823260
HALA	1st Floor, MCB Bank Building, Dargah road, Hala	25.81520, 68.42529	022-3331180
NAWABSHAH	Above 1st step shoes Shop, 1st Floor, Near Edhi Chowk, Masjid Road, Nawabshah.	26.243187794620727, 68.40776011368052	0244-362432
SUKKUR	Office Mezzanine Floor B, Chamber Plaza, Dua Chowk Near Chamber of Commerce, Bunder Road, Sukkur	27.691932,68.873221	071-5621003
SHAHDADPUR	1st Floor of Apna Microfinance Bank, Near Shahi Bazar, Station Road Shahdadpur	25.924333,68.622556	0235-844800
SAKRAND	Shop no. 1-2, Ground floor, opposite career point grammar school, Main Qazi Ahmed Road, Sakrand.	26.142153, 68.267917	0244-322698
GHOTKI	1st Floor, Qadirpur Road, Opposite LUMS Laboratories, Ghotki	28.012864,69.3215499	0723-680601
KHAIRPUR	Upper Story UBL bank, chatrri Chowk, Foujdari Road, Khairpur.	27.529348, 68.758053	024-3714426

AGENCY DISTRIBUTION OFFICE - TAKAFUL			
CITY	ADDRESS	GOOGLE PIN	CONTACT DETAILS
	Plot no. 123, Above UBL Bank, First Floor, main road, Tando Allahyar	25.463615,68.716226	022-3414288
LAHORE	4th floor Plot No. 27-C-3, M. M. Alam Road, Gulberg-III, Lahore	31.5041139,74.3489671	04232033012
SIALKOT	1st Floor, Tanveer Tower, Gohdpur Road, Opposite Shadab law College, Sialkot.	32.5142661,74.5143858	052-4270141
TOBA TEK SINGH	Dr Zahid Khan lodhi ultrasound specialist clinic's first floor near Akbari Masjid, new plaza , Toba Tek Singh	30.9725395,72.4782763	046-2517151
KASUR	1st Floor, U Bank, Liaqat Road, Qadir Abad Chowk, Kasur.	30.8774641,73.5950671	049-2723836
FAISALABAD	Trippal A Plaza, Office No.1, First floor, Above Bank Al Habib Islamic Branch, Near Kia Motors, West Canal Road, Faisalabad.	31.431150, 73.120639	0334-1410140
ISLAMABAD	East Half of 3rd Floor , Ali Plaza Block No. 27-E, Fazal-e-Haq road, Blue Area, Islamabad	33.72396, 73.08468	051-8107403
PESHAWAR	Plot-No. 38-D, 4th Floor, Afzal Tower, Main University Road Opposite PARCO Petrol Pump, Peshawar	33.998593,71.494125	0915844612
ABBOTTABAD	Office no. 211 Etihad Building, 2nd Floor opposite Kashmir Mall, Main Mansehra Road, Abbottabad.	34.173278,73.226888	0992-331776
SWAT	1st floor, shahi bagh plaza, Faizabad road, blue area, near PIA office, Saidu Sharif Swat.	34.754910, 72.355874	0946-713400
GUJAR KHAN	First floor above Mobilink Microfinance Bank, sheikh Abdul hafeez heights, near Muslim school service road, Gujar khan.	33.2589640,73.3012170	051-3517658
BATKHELA	Second Floor, Burj Al Azeem, Main Batkhela Road, Batkhela.	34.615821, 71.962791	0932-415586
TIMERGARA	Ground floor, Rahman Tower, Jail bypass road district Lower dir, Timergara, KPK.	34.815461,71.8347680	0945-821766
KHUIRATTA	Altaf Plaza, First floor, by pass road, Tehsil Khuiratta district, Kotli AJK.	33.334615,74.063429	0347-2548840
KOTLI	First Floor, Hafeez Plaza, Above Dubai Islamic Bank, Near PWD Rest House, Main Road, opposite Sardar View Hotel, Teh. & Distt. Kotli AJK.	33.519675,73.906398	0343-8828557
SANGHAR	Plot no. 950, Jamali chok, Makka Hotel, Near Honda showroom Nawabshah road, Sanghar.	26.044842, 68.945949	0307 3310143
KHWAZAKHELA	Plot number 269, first floor, Al Hilal Plaza, Matta Road KhwazaKhela Swat	34.940441, 72.465563	0347 9690103

Pattern of Shareholding

For the year ended December 31, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
Shaikh Muhammad Jawed	1	250	0%
Umer Mansha	1	250	0%
Naz Mansha	1	250	0%
Imran Maqbool Malik	1	250	0%
Ahmad Alman Aslam	1	250	0%
Shahmeer Khalid Butt	1	250	0%
Mohammad Ali Zeb	1	250	0%
	7	1,750	0.001%
Parent Company	1	224,998,250	90%
Associated Companies, undertakings and related parties	5	12,731,891	5%
Executives	-	-	-
NIT and ICP	-	-	-
Banks, Development Finance Institutions, Non-Banking Finance Companies	-	-	-
Insurance Companies	-	-	-
Modarabas and Mutual Funds	3	4,270,955	0.02
General Public			
a. Local	609	2,896,929	0.01
b. Foreign	33	74,095	0.00
Foreign Companies	-	-	-
Others	5	5,026,130	0.02
	Totals	250,000,000	1

Share holders holding 10% or more	Shares Held	Percentage
ADAMJEE INSURANCE COMPANY LIMITED	224,998,250	90.00

Notice of 16th Annual General Meeting

Notice is hereby given that the 16th Annual General Meeting of the Shareholders of Adamjee Life Assurance Company Limited will be held on Monday April 28, 2025, at ISE Auditorium, ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad, at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. Confirm the minutes of 15th Annual General Meeting held on April 25, 2024;
2. Receive, consider and adopt the Audited Financial Statements for the year ended December 31, 2024 together with the Directors' and Auditors' reports thereon and Chairman's Review Report;
3. To appoint External Auditors for the year ending December 31, 2025 and fix their remuneration. The retiring auditors KPMG Taseer Hadi & Co, Chartered Accountants have provided their consent and offered themselves for reappointment;
4. To approve payment of a Final Cash Dividend of Rs. 01 per share, i.e. 10% for the year ended December 31, 2024, as recommended by the Board of Directors, payable to shareholders appearing in register at close of business on April 21, 2025, which is in addition to the 10% Interim Cash Dividend (i.e. Rs. 1.00 per share) already paid.
5. To elect seven (07) directors as fixed by the Board at their meeting held on February 25, 2025, pursuant to the provisions of Section 159 of the Companies Act, 2017, for a term of three years commencing from April 27, 2025. The retiring directors are eligible to offer themselves for re-election.

Following are the names of the retiring directors:

- i. Mr. Sheikh Muhammad Jawed
- ii. Mr. Umer Mansha
- iii. Mrs. Naz Mansha
- iv. Mr. Imran Maqbool
- v. Mr. Muhammad Ali Zeb
- vi. Mr. Shahmeer Khalid Butt

SPECIAL BUSINESS:

6. To consider and if thought fit approve an increase in the authorized share capital of the Company and for this purpose pass the following special resolution, with or without any amendments and to approve the consequent amendments in the Memorandum and Articles of Association of the Company, subject to requisite approvals, if any:

RESOLVED THAT, the authorized share capital of the company be and is hereby increased from Rs. 2,500,000,000/- divided into 250,000,000 shares Rs. 10/- each to Rs. 3,000,000,000/- (Rupees Three Billion Only) divided into 300,000,000 (Three Hundred Million) Equity Shares of Rs. 10/- each each ranking pari passu in every respect with the existing ordinary shares of the Company.

Notice of 16th Annual General Meeting

RESOLVED FURTHER THAT, in consequence of the said increase in the Authorized Share Capital of the Company, the existing Clause V of the Memorandum of Association of the Company be and is hereby replaced in its entirety as follows;

Clause V of the Memorandum of Association

The Authorized capital of the Company is Rs. 3,000,000,000/- (Rupees Three Billion Only) divided into 300,000,000 (Three Hundred Million) Equity Shares of Rs. 10/- each with power to increase the capital or any portion thereof and to consolidate, reorganize or alter the share capital of the Company; and to divide and/or sub-divide whole or any part of its share capital into several classes as may be determined by or in accordance with the regulations of the Company or subject to the provisions of the Companies Act, 2017.

RESOLVED FURTHER THAT, in consequence of the said increase in the Authorized Share Capital of the Company, the existing Article 4 of the Articles of Association of the Company be and is hereby replaced in its entirety as follows;

Article 4 of the Article of Association

The Authorized capital of the Company is Rs. 3,000,000,000/- (Rupees Three Billion Only) divided into 300,000,000 (Three Hundred Million) Equity Shares of Rs. 10/- each.

RESOLVED FURTHER THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary of the Company be and are hereby singly as well as any two jointly authorized to take all necessary steps and execute documents including legal and corporate formalities and file all requisite documents with Securities & Exchange Commission of Pakistan as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolutions according to the applicable Laws and Regulations.

7. To approve transaction with a related party in respect of leasing of property owned by Adamjee Insurance Company Ltd at Fayyaz Center, Shahra-e-Faisal Karachi by passing following special resolution with or without modification:

RESOLOVED THAT the related party transaction in respect of leasing of property owned by Adamjee Insurance Company Ltd at Fayyaz Center, Shahra-e-Faisal, Karachi and as already approved by the Board of Directors of Adamjee Life Assurance Company Limited be and is hereby approved and confirmed in all aspects.”

8. Transact any other business as may be placed before the meeting with the permission of the chair.

By Order of the Board

Karachi: April 07, 2025

Arslan Tahir
Company Secretary

Notes:

1. The Share Transfer Books of the Company shall remain closed from April 22, 2025 to April 28, 2025 (both days inclusive). Transfer received at the Share Registrar of the Company, by the close of business on April 21, 2025 will be treated in time for attending and voting at the meeting.
2. In relevance to the compliance of SECP notification no. S.R.O.452(1)/2025, the Company affirms that no gifts will be distributed at the meeting.
3. A member entitled to attend and vote at the Meeting may appoint another member as his/her proxy to attend and vote for him/her provided that a corporation being a member may appoint as its proxy a person who is not a member and is duly authorized by the corporation. The form of Proxies is enclosed in English and Urdu. Proxy must be received at the Registered Office of the Company not later than 48 hours of the meeting.

4. Participation in the AGM through Video link:

In accordance with the Circular No.4 of 2021 of the SECP, the Company has also provided members the facility of attending the general meeting through video link.

The shareholders interested to participate through video link are requested to please provide below information at Email: cdcsr@cdcsrsl.com at the earliest but not later than close of business on April 25, 2025.

Name of the Shareholder	Company	CNIC Number	Folio Number	Cell Number	E-mail Address
	Adamjee Life Assurance Co.				

Please note that video link and login credentials will be shared with only those members / designated proxies whose e-mail and other required information are received in required time as mentioned above.

- a) Video-link for the meeting will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.
 - b) Login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the meeting proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.
 - c) Shareholders may send their comments and suggestions relating to the agenda items of the AGM at least two (2) working days before the meeting, at the given email address investor@adamjeelife.com. Shareholders are requested to mention their full name, CNIC # and Folio/CDC Account # for this purpose.
5. The members who intend to attend and participate physically in the AGM of the Company will be allowed to participate as usual. The Company will follow the best practices and comply with all applicable laws for the benefit of all members wishing to participate in the meeting through any mode or medium.

Notice of 16th Annual General Meeting

6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan through the issuance of circular:z

A. For attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose registration detail are uploaded as per CDC Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

B. For appointing proxies:

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

C. Unclaimed Dividend:

Shareholders, who for any reason, could not claim their dividend, are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited, to collect/enquire about their unclaimed dividend, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividends outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of the Federal Government.

7. Availability of Audited Financial Statements on Company's Website

The Company has placed the Audited Annual Financial Statements for the year ended December 31, 2024 along with Auditor's and Director's Reports thereon on its website: www.adamjeelife.com

8. Transmission of Financial Statements to the Members through e-mail

Pursuant to Section 223(6) of the Companies Act, 2017, the Company is allowed to send Audited Financial Statements, Auditor's Report and Director's Report through e-mail to the

members of the Company. Members desiring to avail this facility may provide the requisite information to the Company Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

9. Applicability of Postal Ballot Regulations

In accordance with the Companies (Postal Ballot) Regulation, 2018, ("the Regulations") the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all businesses classified as special business under the Companies Act, 2017, ("the Act") as well as for election of directors in the manner and subject to conditions contained in the Regulations and as laid down below.

Procedure for E-Voting

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on April 21, 2025.
- b) The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- c) Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d) Voting lines will start from April 23, 2025, 09:00 a.m. and shall close on April 27, 2025 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is casted by a Member, he / she shall not be allowed to change it subsequently.

10. Procedure for Voting By Post

- a) The members shall ensure that the duly filled and signed ballot paper, as per the enclosed format, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, Adamjee Life Assurance Company Limited, 3rd & 4th Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan or email at investor@adamjeelife.com one day before the AGM, i.e., on 27th April 2025, before 5:00 p.m. A postal ballot received after time cutoff date/ time shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.
- b) This postal Poll paper is also available for download from the website of Adamjee Life at www.adamjeelife.com or use the same as published in newspapers. Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.
- c) Members are required to timely notify any change in their address to respective CDC Participant/Broker/Investor Account Services.

11 Election of Directors

Any person who seeks to contest the election of directors shall, whether he is a retiring director or otherwise, file with the Company the following documents and information at its registered office not later than fourteen (14) days before the day of the above said meeting;

Notice of 16th Annual General Meeting

- a. his / her Folio no. / CDC Investor account No. / CDC Participant No. / Sub-account No.
- b. notice of his / her intention to offer himself / herself for the election of directors in terms of section 159(3) of the Companies Act, 2017 in the succeeding categories as per Listed Companies (Code of Corporate Governance) Regulations, 2019; Female Director, Independent Director and Other Director.
- c. consent to act as director on prescribed Form-09 under Section 167(1) of the Companies Act, 2017.
- d. a detailed profile along with his / her office address for placement onto the Company's website as required under Securities and Exchange Commission of Pakistan ("SECP") SRO 1196(1) of 2019 dated October 03, 2019.
- e. he / she has not been declared by a court of competent jurisdiction as defaulter in repayment of loan to a financial institution.
- f. the selection of independent directors will be complied with the requirements of section 166 of the Companies Act, 2017. Person contesting as independent director shall also submit a declaration that he / she qualifies the criteria of eligibility and independence as notified under the Companies Act, 2017 and rules and regulations issued thereunder.
- g. an attested copy of Computerized National Identity Card ("CNIC").
- h. a declaration that;
 - i. he / she is not ineligible to become the director of the Company under any applicable laws and regulations (including laws specific to the insurance companies).
 - ii. he / she is aware of his / her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company, the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, the Insurance Ordinance 2000, Insurance Companies (Sound and Prudent Management) Regulations, 2012 (as amended) and all other laws, rules and regulations as applicable on to insurance companies.
 - iii. and that he / she confirms to hold the qualification shares in accordance with Article 79 of the Articles of Association of the Company as well as the fit and proper criteria for directors of an insurance company;
 - iv. he/she is compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the requirements specified under Insurance Companies (Sound and Prudent Management) Regulations, 2012 (as amended);
- i. Declaration by proposed Independent Director(s) under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulation 2019.
- j. Undertaking on non-judicial stamp paper by proposed independent directors that he / she meets the requirements of sub regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018

STATEMENT OF MATERIAL FACT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

The statement set out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on April 28, 2025.

Agenda Item # 06: Increase in Authorized Capital of the Company and Consequent Amendments in Memorandum & Articles of Association of the Company:

Adamjee Life Assurance Company Limited (ALIFE) always pinnacle the compliance of the applicable regulations and laws as a registered entity with Securities & Exchange Commission of Pakistan (SECP). With an objective to be in compliance with the stipulated laws and regulations, the management of the Company has proposed to increase the Authorized Capital of the Company to ensure that the Company move towards the compliance with the notification No. S.R.O. 310(I)/2025 issued by SECP on March 03, 2025 under Insurance Ordinance, 2000, by adopting the nimble procedure under Section 179 of the Companies Act, 2017. In the light of the same, the Company seeks to increase its authorized share capital from Rs. 2,500,000,000/- divided into 250,000,000 shares of Rs. 10/- each to Rs. 3,000,000,000/- divided into 300,000,000 shares of Rs. 10/- each and make the necessary amendments to Memorandum and Article of Association of the Company.

Agenda Item # 07:

Approval of Transaction Conducted with the Related Party during the year ended December 31, 2024:

Following transaction with related party has been approved by the Board as per the recommendation of the Audit Committee pursuant to provision of applicable laws. However, as majority of Company Directors were interested in this particular transaction due to their common directorship in the related party, the Board has recommended for placement of the same before the shareholders of the Company in general meeting for the respective approval of the members.

Name of the party with which contract is entered into	Transaction Description	Reference of specific items – (a) to (f) under sub-section (1) of Section 208, if applicable	Nature of concern or interest or change there in and relation with the party	Whether the transaction is at Arm's Length Basis, if not, a brief on deviation from arm's length	Transaction Value	Approval / Ratification
Adamjee Insurance Company Limited	Rental Premises – Karachi Fully Furnished Office No. 101 & 102, collectively Measuring 3,682 sq. Ft, 1st Floor, Faiyaz Centre, Plot No. 3/A, Shahrah-e-Faisal, Karachi	Leasing of property	Parent Company / Common Directorship	Arm's Length	Annual Rental (12 months) Rs. 5,880,888 in 1st year with escalation of 10% every year.	Approval for the rental agreement starting from May 1st 2025 for the period of three years along with all standard terms & conditions of the contract.



Adamjee Life Assurance Company Limited

Ballot paper for voting through post for the Special Business at the Annual General Meeting to be held at ISE Auditorium, ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad, on Monday April 28, 2025 at 11:00 a.m.
Website: www.adamjeelife.com.

Folio / CDS Account Number

Name of Shareholder / Proxy Holder

Registered Address

Number of shares Held

CNIC/Passport No. (in case of foreigner) (copy to be attached)

Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)

Name of Authorized Signatory

CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)

Resolution For Agenda Item No: 06

RESOLVED THAT the authorized share capital of the company be and is hereby increased from Rs. 2,500,000,000/- divided into 250,000,000 shares Rs. 10/- each to Rs. 3,000,000,000/- (Rupees Three Billion Only) divided into 300,000,000 (Three Hundred Million) Equity Shares of Rs. 10/- each each ranking pari passu in every respect with the existing ordinary shares of the Company.

RESOLVED FURTHER THAT, in consequence of the said increase in the Authorized Share Capital of the Company, the existing Clause V of the Memorandum of Association of the Company be and is hereby replaced in its entirety as follows;

Clause V of the Memorandum of Association

The Authorized capital of the Company is Rs. 3,000,000,000/- (Rupees Three Billion Only) divided into 300,000,000 (Three Hundred Million) Equity Shares of Rs. 10/- each with power to increase the capital or any portion thereof and to consolidate, reorganize or alter the share capital of the Company; and to divide and/or sub-divide whole or any part of its share capital into several classes as may be determined by or in accordance with the regulations of the Company or subject to the provisions of the Companies Act, 2017.

RESOLVED FURTHER THAT, in consequence of the said increase in the Authorized Share Capital of the Company, the existing Article 4 of the Articles of Association of the Company be and is hereby replaced in its entirety as follows;

Article 4 of the Article of Association

The Authorized capital of the Company is Rs. 3,000,000,000/- (Rupees Three Billion Only) divided into 300,000,000 (Three Hundred Million) Equity Shares of Rs. 10/- each.

RESOLVED FURTHER THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary of the Company be and are hereby singly as well as any two jointly authorized to take all necessary steps and execute documents including legal and corporate formalities and file all requisite documents with Securities & Exchange Commission of Pakistan as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolutions according to the applicable Laws and Regulations.

Resolution For Agenda Item No: 07

RESOLVED THAT the related party transaction in respect of leasing of property owned by Adamjee Insurance Company Ltd at Fayyaz Center, Shakra-e-Faisal, Karachi and as already approved by the Board of Directors of Adamjee Life Assurance Company Limited be and is hereby approved and confirmed in all aspects."

RESOLVED THAT the related party transaction in respect of leasing of property owned by Adamjee Insurance Company Ltd at Fayyaz Center, Shakra-e-Faisal, Karachi and as already approved by the Board of Directors of Adamjee Life Assurance Company Ltd be and is hereby approved and confirmed in all aspects."

Instructions For Poll

1. Please indicate your vote by ticking (✓) the relevant box.

2. In case if both the boxes are marked as (✓), you poll shall be treated as "Rejected".

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Agenda Item No: 06		
Agenda Item No: 07		

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Date: _____

Proxy Form

I/We _____
of _____
Being a member of Adamjee Life Assurance Company Limited hereby appoint
Mr. _____
of _____
or failing him _____
of _____

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 16th Annual General Meeting of the Company to be held on Monday April 28, 2025 at 11:00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2025.

Witnesses:

1. Signature: _____
Name: _____
Address: _____
CNIC Or
Passport No: _____



Signature of Member(s)

Witnesses:

2. Signature: _____
Name: _____
Address: _____
CNIC Or
Passport No: _____

Shareholder's Folio No. _____
and/or CDC
Participant I.D.No. _____

Important:

This form of Proxy, duly completed, must be deposited at the Company's Principal Office at 3rd and 4th Floor, Adamjee House, I.I. Chundrigar Road, Karachi not later than 48 hours before the time appointed for the meeting.

پراکسی/نمائندگی کا فارم

میں/ہم _____
از _____
آدم جی انشورنس کمپنی لمیٹڈ کے رکن کی حیثیت سے بذریعہ ہذا _____
جناب _____
از _____
کا تقرر _____
یا عدم تقرری _____
از _____

کر رہا ہوں/رہے ہیں میرے/ہمارے نمائندے کے طور پر، بروز پیر مورخہ 28 اپریل 2025 کو 11:00 بجے ہونے والی کمپنی کے 16 ویں سالانہ عمومی اجلاس اور التوا کی صورت میں کسی بھی آئندہ تاریخ کو ہونے والے اجلاس میں میری/ہماری طرف سے اور میری/ہماری غیر حاضری کی صورت میں شریک ہونے اور میری/ہماری طرف سے ووٹ دینے کے لئے۔

بروز _____ مورخہ _____ 2025 کو دستخط کئے گئے۔

گواہان:

رسیدی ٹکٹ

رکن (ارکان) کے دستخط

1- دستخط:

نام:

پتہ:

CNIC یا پاسپورٹ نمبر:

1- دستخط:

نام:

پتہ:

CNIC یا پاسپورٹ نمبر:

اہم:

یہ نمائندگی کا فارم، پوری طرح مکمل کر کے، کمپنی کے مرکزی دفتر تیسری اور چوتھی منزل، آدم جی ہاؤس، آئی آئی چندریگر روڈ، کراچی میں اجلاس کے لئے مقررہ وقت سے کم از کم 48 گھنٹے پہلے لازماً جمع کروانا ہوگا۔