



Century Insurance Company Limited  
A Lakson Group Company

# YOUR TRUST OUR ASSURANCE

Annual Report 2023





## Century Insurance at a Glance

- Century Insurance is a Lakson Group Company.
- Operating since 1989, dealing in all areas of general insurance and takaful business.
- One of the premier general insurance companies of Pakistan.
- Rated "AA" with a stable outlook by VIS Credit Rating Company Limited, signifying a 'very strong capacity to meet policyholders' and contractual obligations.
- Total equity in excess of Rs. 2.8 billion.
- Twice awarded 'Top 25 Companies Award' by the Karachi Stock Exchange.
- Very strong reinsurance treaty arrangements with highly rated international reinsurers.
- Broad client base consisting of individuals as well as some of the most prestigious local and multinational companies.

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Form of Proxy

Ballot Paper for Voting through Post

The background of the page features a dark blue gradient. At the top, there is a faint, light blue map of the Middle East region. Below the map, a city skyline is visible, with various skyscrapers and buildings illuminated. The overall aesthetic is modern and professional.

## Our Vision

To be an organization known for integrity and ethical behavior and fully dedicated to its Clients, Business Partners, Shareholders and Employees, providing exceptional quality service and committed to achieving excellence in all areas of its operations.

## Our Mission

- To become a company of choice for its valued Clients, Stockholders and Employees.
- To ensure continued growth of the financial strength and resilience of the company so that it may be able to withstand any unexpected shocks or cyclical economic downturns.
- The Company culture to be known for Integrity and Ethical behavior.
- The Company to be known as one of the best insurance companies of the country.



# Corporate Information

## Board of Directors

Mr. Iqbal Ali Lakhani - Chairman  
Mr. Amin Mohammed Lakhani  
Ms. Anushka Lakhani  
Mr. Aftab Ahmad  
Mr. Atiq Anwar Mahmudi (from May 29, 2023)  
Mr. Jawed Akhlaq (from May 29, 2023)  
Mr. Sadrudin Ismail Mohamed (upto May 29, 2023)  
Mr. Akbar Dawood Vazir (upto May 29, 2023)  
Mr. Mohammad Hussain Hirji - Chief Executive

## Advisor

Mr. Sultan Ali Lakhani

## Chief Financial Officer

Mr. Sabza Ali Pirani

## Company Secretary

Mr. Mansoor Ahmed

## Audit Committee

Mr. Atiq Anwar Mahmudi - Chairman  
Mr. Amin Mohammed Lakhani  
Mr. Aftab Ahmad

## Investment Committee

Mr. Iqbal Ali Lakhani - Chairman  
Mr. Aftab Ahmad  
Mr. Mohammad Hussain Hirji  
Mr. Sabza Ali Pirani

## Ethics, Human Resource & Remuneration Committee

Mr. Jawed Akhlaq - Chairman  
Mr. Amin Mohammed Lakhani  
Mr. Mohammad Hussain Hirji

## External Auditors

M/s. BDO Ebrahim & Co.  
Chartered Accountants

## Shares Registrar

M/s. FAMCO Share Registration Services (Pvt.) Ltd.  
8-F, Near Hotel Faran, Nursery,  
Block-6, P.E.C.H.S., Shahra-e-Faisal,  
Karachi.  
Tel: (021) 3438 0101-5  
Fax: (021) 3438 0106  
Email: info.shares@famcosrs.com  
Website: www.famcosrs.com

## Bankers

Al Baraka Bank (Pakistan) Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
NRSP Microfinance Bank Limited  
Silkbank Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Telenor Microfinance Bank Limited  
U Microfinance Bank Limited  
United Bank Limited

## Registered & Corporate Office

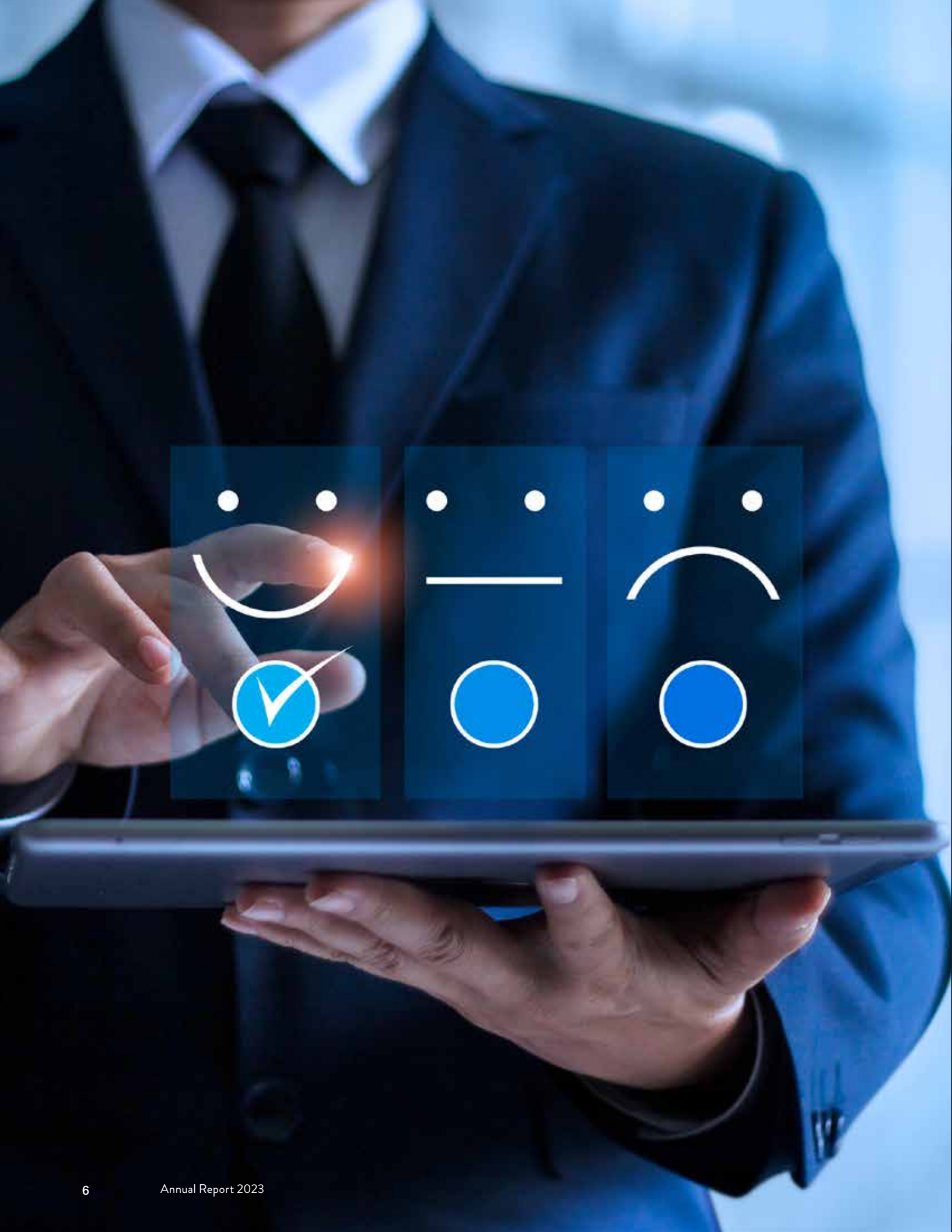
Lakson Square, Building No. 2,  
Sarwar Shaheed Road, Karachi-74200.

## Head Office

11<sup>th</sup> Floor Lakson Square, Building No. 3, Sarwar  
Shaheed Road, Karachi-74200.

Website: www.cicl.com.pk  
UAN: 111-111-717  
NTN: 0710008-6





# Products & Services





## Fire Insurance

Your corporate offices, factories and facilities are the primary sources of your income and revenue. Century Insurance understands the importance and value of your business property and operations. So we will work with you to help you prevent losses, protect what matters and help you stay in business. Property insurance solutions include:

- Fire and Allied Perils
- Consequential Loss
- Property All Risk
- Comprehensive Machinery Insurance
- Terrorism Insurance (Property insurance policies in Pakistan now exclude Terrorism including any Riot & Strikes resulting from a terrorist act. These are now covered under a separate Terrorism policy).



## Marine Insurance

We offer our clients tailored solutions for their international and domestic marine exposures. The two standard product lines are:

- Marine Cargo including Inland Transit
- Marine Hull

Marine cargo insurance covers the risks of physical loss or damage to goods and merchandise while in transit by any method of conveyance anywhere in the world. Inland Transit policies cover transit by road and/or rail within the country.

Marine hull provides coverage for all types of vessels and their machinery while navigating anywhere in the world. In addition we can cover ship beaching risks for the ship breaking industry as well as Fire and Allied Perils for the beached vessel.

Losses occurring anywhere in the world are promptly investigated and equitably settled through our international claims settling agents.



## Motor Insurance

### Private Car Insurance

People love their cars, but insuring them can be a chore. At Century Insurance, with fast, fair and convenient services and cover you can depend on, we'll be there for you when it matters. We settle bills with a very wide network of repairers directly – so no waiting for that check in the mail. And because we don't force you to use any particular repairer you are free to take your car to the workshop of your choice. You may opt for comprehensive coverage including own damage, theft and third party legal liability or just third party legal liability coverage to meet the requirements of law.

If you would like to have the added assurance of a good vehicle tracking service, substantial discounts are available on the premium you pay. Or if you would like us to arrange the tracking service for you we can do that too as a complimentary service at economical rates.

### Commercial Vehicle Insurance

Whatever your business, if you have your own commercial vehicles we know how important these vehicles are to your business. No matter how many commercial vehicles you have, we've got a plan to suit you. From fleets of trucks to just one or two pickups, we can tailor the right insurance package for you. If you are insuring many vehicles, our fleet policy can cover them all in a single policy.



## Engineering Insurance

Our qualified engineers can cater to all of your engineering insurance needs. At Century Insurance, we can help by sharing insights, insurance solutions and risk engineering services. From construction related insurances to erection of machinery to electronic equipment, we have the right solution for you. With us, you'll work with specialized underwriting, risk engineering and claims professionals who understand the challenges you face and can deliver quality service when you need it.

Engineering insurance solutions include:

- Contractor's All Risk (CAR) insurance offers comprehensive protection for contract works, construction plant and equipment as well as for Third Party claims.
- Contractor's Plant & Equipment (CP&E).
- Erection All Risk (EAR) for plant and machinery in the course of erection.
- Machinery Breakdown covers sudden and unforeseen loss or damage to machinery.
- Advance Loss of Profits (ALOP) also known as Delayed Startup to cover loss of gross profits arising from a CAR or EAR loss.
- Electronic Equipment Insurance for computers and other electronic equipments.
- Deterioration of stock.
- Boiler and Pressure Vessels.



## Travel Insurance

Whether you are travelling for business or pleasure, unfortunate surprises can occur either before or during your trip. Medical emergencies or accidents can result in costly trip cancellations or medical bills leaving the traveler stranded in an unfamiliar country. Children may be left unattended with perhaps no one to accompany them on their return back home. Loss of baggage or mere flight delay may also result in unexpected and unbudgeted expenses. Our 24 hour, 7 days of the week hotline will be available to assist you no matter where you are or what language you are comfortable communicating in.

Century Insurance provides the best available travel insurance plans for you and your family, to suit every budget and need. We also have special plans available for senior citizens no matter where in the world they may be planning to travel to. Claims can be paid directly to hospitals in most instances, anywhere in the world. So the next time you travel, give up your worries and get the best travel insurance solution from Century Insurance.



## Accident & Health Insurance

In today's competitive marketplace, employers know that their true competitive advantage frequently lies in their human capital. A good employer will therefore always try to take care of its employees. One of the key variables in an employee's benefit structure is the health insurance provided by the employer.

Century Insurance provides the best possible corporate health insurance packages available in the market. We care for your employees and make every effort to ensure that they receive the best possible care based on the benefits chosen for them by their employer. Whether they need expert advice and guidance related to medical admissions and treatment or whether they just want a better understanding of the benefits available under their policy, we provide service with a smile and a caring attitude. We liaise closely with the hospitals to ensure that your employees receive the care and treatment that they need in the most timely and efficient manner possible.

We also work closely with the Human Resource department of our clients to make sure that they are fully informed of developments involving major hospitalizations of their employees or of the dependents of their employees. We also pay extra attention to ensure that all paperwork, health cards, payments, etc are made correctly and on time. With all of the topmost hospitals on our panel we ensure a smooth and cashless service for your employees so that they are not made to fret and worry about these matters during the difficult time they may be facing on account of either their own hospitalization or that of a loved one.

Personal Accident provides 24/7 worldwide cover for accidental bodily injury to the insured person resulting in death or permanent disablement.



## Miscellaneous Insurance

This is a broad category and includes any insurance product or service that does not fall into any of the above categories. The most important of these include the following:

- General or Public Liability to protect you and or your business against liability to third parties for accidental bodily injury or property damage, such as when they come upon your business premises.
- Professional Indemnity to protect you and/or your business against liability that may be incurred in the course of discharging your professional duties, whether you are a doctor, lawyer or architect or in any other profession.
- Product Liability to protect you and/or your business against any liability for injury or damage that may arise from the use of a defective product that your company may have provided.
- Employer's Liability provides protection to you and/or your business against liability to your employees for bodily injury or property damage occurring in the course of their employment.
- Workmen's Compensation provides protection for accidents to workmen in your employ resulting in death or disablement that may occur in the course of their employment.
- Cash on Premises indemnifies you and/or your business for cash belonging to the business that may be stolen from the business premises consequent upon forcible entry or under the threat of force.
- Cash in Transit indemnifies you and/or your business for loss of cash stolen forcibly during transit between specific points during normal business hours.
- Fidelity Guarantee indemnifies you and/or your business for loss sustained on account of fraud or theft conducted by your employees.



## Claim Service

For us, every customer claim is an opportunity to deliver when it matters and to differentiate the Century Insurance customer experience. As soon as you report a claim, our team will come into action, delivering swift and transparent claims assistance wherever you need it. Our team consists of experienced claims professionals dedicated to fairness and transparency in the handling of all claims.

Combining international experience and local knowledge, we will partner with you to give you the assistance you need while helping you to reduce your overall claim costs over time.

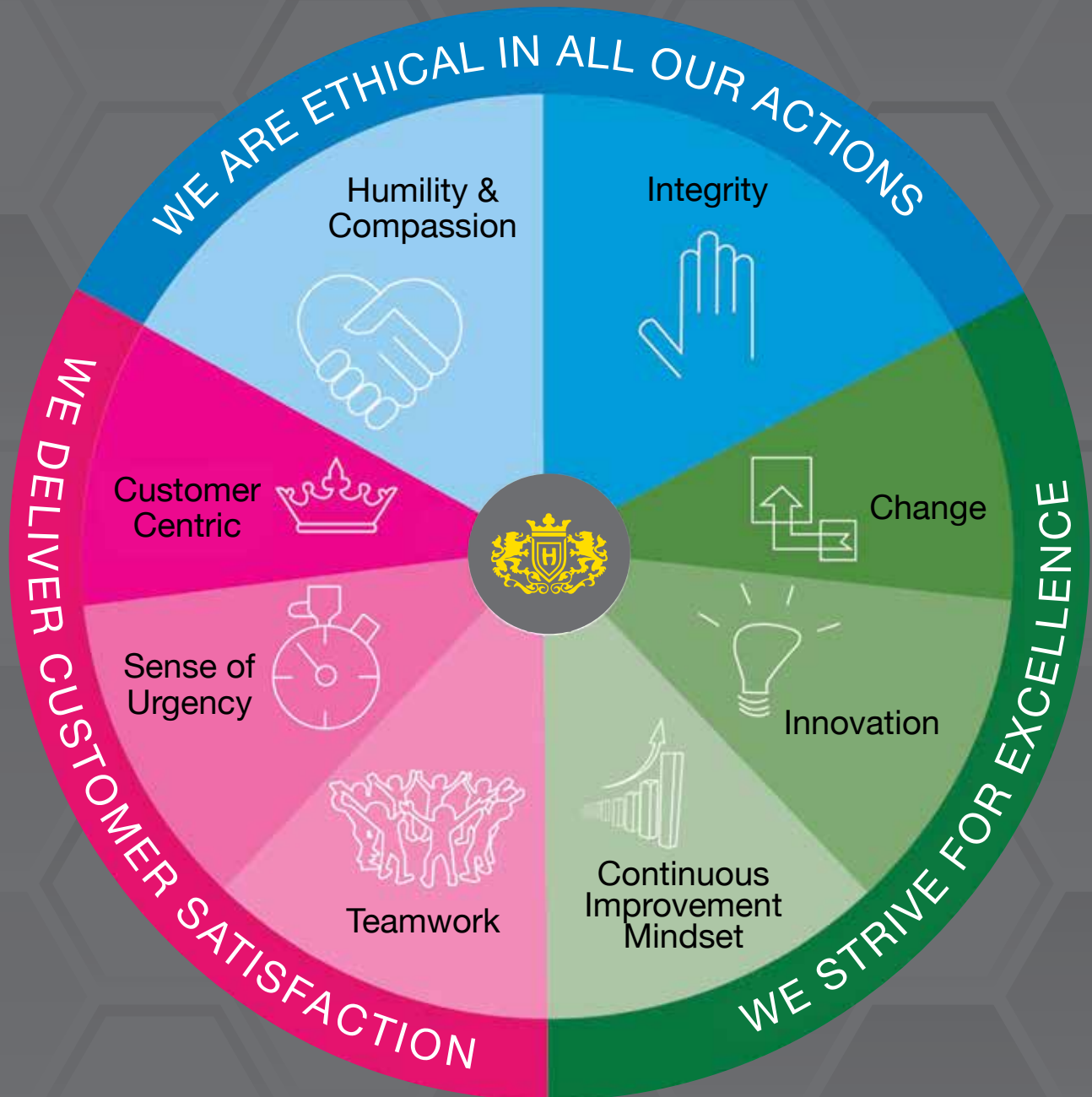


## Risk Management

Working closely with you, our underwriters and risk engineers can identify and control risk in a broad range of environments, both in the manufacturing and service sectors. With Century Insurance's specialized underwriting knowledge, experienced risk assessments and excellent claims handling, we'll be there to support you should a claim occur.

Our Risk Engineers identify, assess and guide you to improve risks helping you reduce losses and the overall risk to your business.

# Core Values



# Code of Conduct

## 1. RELATIONSHIP WITH EMPLOYEES

- Century Insurance Company Limited (CICL) takes pride in the strong personal commitment of its people towards the progress and success of the Company. CICL's policy is to treat individuals in all aspects of employment solely on the basis of merit irrespective of race, religion, color, age, gender, and marital status. CICL believes in individual's respect and their rights.

The Company is committed to the growth of its employees. This is achieved through building a culture of mutual trust, learning and motivation.

- CICL's vision is based on inspiring and developing individuals as their success depends on their ability to make meaningful contributions to the progress of the Company.

## 2. RELATIONSHIP WITH COMPANY

- The employees of the Company strive to adhere to its guidelines and objectives and to give their best efforts to improve its performance. They recognize the trust placed by the Company in them and act with integrity and honesty in all situations - to preserve that trust and confidence. They avoid conflicts of interest and other situations that are potentially harmful to the progress of the Company.
- The employees of the Company use its assets, facilities and services only for lawful, proper and authorized purposes. They intend to make best use of the Company's equipment, systems and technology in order to have fast and reliable communication and a strong MIS system to further the aims and objectives of the Company.

## 3. RELATIONSHIP WITH BUSINESS COMMUNITY

- Each employee is responsible for how he or she is perceived by clients and other business partners; it is essential that they maintain the Company's reputation for honesty and fair dealing with these people and organizations.

- It is CICL's policy to respect the trade secrets and proprietary information of others. This is particularly pertinent if one has knowledge of trade secrets and proprietary information of a former employer.

## 4. RELATIONSHIP WITH CLIENTS

- CICL's reputation has been built upon the trust and quality service it is providing. Our commitment to excellence in quality of service and building strong client relationships is essential to the continued growth and success of the Company. Also, vital for success is to meet the challenges of the highly competitive market with our expertise, innovative and creative marketing.

CICL's motto: "Customer satisfaction is our top priority"

## 5. RELATIONSHIP WITH GOVERNMENT AND THE LAW

- CICL supports free enterprise and a competitive market system. The Company's policy is to comply fully with all applicable laws irrespective to the extent to which they are enforced. The Company cooperates fully with all government and regulatory bodies and is committed to high standards of corporate governance. Penalties for non-compliance can be severe and can involve criminal proceedings.
- CICL's financial policies for conducting business are based on trust, transparency, integrity, and following the principles of accounting and finance as approved by regulations and applicable accounting codes. Any unsupportive or false entry, infringement of accounts for individual or Company gain is contrary to our business codes and ethics.

## 6. RELATIONSHIP WITH SOCIETY

- CICL strives to operate as a responsible corporate citizen within both the local and global communities.

- CICL is an equal opportunity employer for all levels of employees irrespective of color, race, gender, age, ethnicity or religious beliefs.
- CICL provides a safe and healthy workplace, protecting human health and the environment.
- CICL pays its employees a remuneration that enables them to meet at least their basic needs, and provides employees the opportunity to improve their skills and capabilities.
- CICL respects employees' freedom of association.
- CICL works with governments and the communities in which we do business to improve the educational, cultural, economic and social wellbeing of those communities.

## **7. RELATIONSHIP WITH THE ENVIRONMENT**

- Protecting the world in which we live is a vital concern and a continuing commitment. CICL is dedicated to contributing to the overall quality of life. We recognize and constantly reaffirm the value of a healthy and clean environment.

## **8. RELATIONSHIP WITH THE SHAREHOLDERS**

- CICL strives to serve the best interests of its shareholders to provide consistent growth and a fair rate of return on their investment and to maintain its position and reputation as one of the leading insurance companies, dedicated to protecting shareholders' investments and providing full and timely information. By conducting our business in accordance with the principles of fairness, decency and integrity set forth here we help to build shareholders' value.

## **9. RESPONSIBILITY FOR COMPLIANCE**

- In accepting employment with the Company, each of us becomes accountable for compliance with these standards of conduct and with all laws and regulations. Managers are responsible for communicating these standards to employees to ensure that they understand and abide by them, and for creating a climate where employees can discuss ethical and legal issues freely.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 38th Annual General Meeting of Century Insurance Company Limited will be held on Tuesday, April 23, 2024 at 03:00 p.m. at PSX Auditorium, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi as well as through Electronic means/Video link facility to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2023 together with the Directors' and Auditors' reports thereon.

As required under Section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following link and/or QR enabled code:

<https://cicl.com.pk/financial-reports/>



2. To declare final dividend in cash @ 45% i.e. Rs.4.50 per share of Rs.10.00 each as recommended by the Board of Directors.
3. To appoint Auditors and fix their remuneration.

## SPECIAL BUSINESS

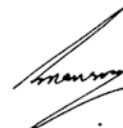
4. To consider, and if thought fit, to pass with or without modification the following resolutions as Special Resolution.

### Special Resolutions

- a) **"RESOLVED** that the transactions carried out in normal course of business with associated companies/related parties as disclosed in Note No.35 & 30 of the audited financial statements (Conventional and Window Takaful Operations respectively) for the year ended December 31, 2023 be and are hereby ratified and approved."
- b) **"FURTHER RESOLVED** that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending December 31, 2024 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

Statement under Section 134 of the Companies Act, 2017 in the above matter pertaining to item No.4 is being sent to the members along with the notice.

By Order of the Board



**(MANSOOR AHMED)**  
Company Secretary

Karachi: March 25, 2024

## Notes:

1. The share transfer books of the Company will remain closed from April 16, 2024 to April 23, 2024 (both days inclusive). Transfers received in order by the Shares Registrar of the Company, M/s. FAMCO Share Registration Services (Pvt.) Ltd, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi up to the close of business on April 15, 2024 will be treated in time for entitlement of the dividend.

2. Participation in the AGM proceedings via physical presence or through video link facility:

The arrangement for attending the AGM through electronic means will be as under:

1. To facilitate our members who want to attend AGM through Zoom application - a video link facility will be provided.
2. Shareholders interested in attending the AGM through Zoom application are hereby requested to get themselves registered with the Company Secretary office by providing the following details at the earliest but not later than 24 hours before the time of AGM (i.e. before 03:00 p.m. on April 22, 2024) through following means:
  - a) Mobile/WhatsApp: 0315 5008228
  - b) E-mail: mansoor@lakson.com.pk

Shareholders are advised to mention their Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone/computer devices.

Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the aforesaid means.

3. In compliance with Section 223(6) of the Act, the Company has electronically transmitted the Annual Report 2023 through email to Shareholders whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Ltd. In those cases, where email address are not available with the Company's Share Registrar, printed notices of AGM along with the weblink and QR enabled code to download the said Annual Report have been dispatched. However, the company will provide hard copies of the Annual Report to any Member on their demand, at their registered address, free of cost, within one week of receiving such request.

Further, Shareholders are requested to kindly provide their valid email address and cell number, quoting their folio / CDC accounts number, as the case may be, (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Ltd, if the Member hold shares in physical form or to the Member's respective Participant/Investor Account Services, if shares are held in book-entry form.

4. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. A proxy must be a member of the Company. A corporate entity, being a member, may appoint any person, regardless whether they are a member or not, as its proxy. In case of corporate entities, a resolution of the Board of Directors/ Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted to the Company along with a completed proxy form. The proxy holders are requested to produce their national CNICs or original passports at the time of the meeting.

5. Forms of proxy, in order to be valid must be properly filled-in/executed and received at the registered office of the Company situated at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi not later than 48 hours before the time of the meeting excluding holidays.
6. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.
7. Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.
8. A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and CDC account/sub-account number along with original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
9. Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the registrar of the Company M/s. FAMCO Share Registration Services (Pvt.) Ltd, in case of physical shares.

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

In case of non-receipt of IBAN information, the Company will be constrained to withhold payment of dividend to shareholders.

10. The rates of deduction of income tax from dividend payments under section 150 of the Income Tax Ordinance, 2001 shall be as follows:
  1. Shareholders appearing in Active Taxpayers List (ATL): 15%
  2. Shareholders not appearing in Active Taxpayers List (ATL): 30%
    - (i) To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.
    - (ii) Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to FAMCO Share Registration Services (Pvt.) Ltd, by the first day of Book Closure.
    - (iii) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Shares Registrar, in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach our Shares Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

- (iv) For any query/problem/information, the investors may contact the Company Secretary at phone: 3840 0000 and email address: [mansoor@lakson.com.pk](mailto:mansoor@lakson.com.pk) and/or FAMCO Share Registration Services (Pvt.) Ltd at phone: 3438 0101-5 and email address: [info.shares@famcosrs.com](mailto:info.shares@famcosrs.com)
- (v) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or FAMCO Share Registration Services (Pvt.) Ltd. Shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers. Without the NTN Company would not be in a position to check filer status on the ATL and hence higher tax of 30% may be applied in such cases.

11. In order to claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form “CZ-50” on NJSP of Rs.50/- to the Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Ltd, of the Company by first day of book closure. In case shares are held in scripless form such Zakat Declaration Form (CZ-50) must be uploaded in the CDC account of the shareholder, through their participant/Investor Account Services. Further, Non-Muslim shareholders are also required to file Solemn Affirmation (available on <https://famcosrs.com>) with the Shares Registrar of the Company in case of shares are held in physical certificates or with CDC Participant / Investor Account Services in case shares are in scripless form. No exemption from deduction of zakat will be allowed unless the above documents complete in all respects have been made available as above.

12. In accordance with the Companies (Postal Ballot) Regulation, 2018, as amended on December 05, 2022, the right to vote through electronic voting facility will be provided by the Company in respect of the Special Business. Details of e-voting facility will be shared through 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 within due course. The member may alternatively opt for voting through postal ballot which is being published with this notice and is also available on Company’s website.

Members can also exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017.

13. An updated list for unclaimed dividend/shares of the Company is available on the Company’s website [www.cicl.com.pk](http://www.cicl.com.pk). These are unclaimed dividend/shares which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable.

Claims can be lodged by shareholders on Claim Forms as are available on the Company’s website. Claim Forms must be submitted to the Company’s Shares Registrar for receipt of dividend/shares.

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

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

15. Form of Proxy and Ballot Paper are enclosed and also appears on the website of the Company.

#### **STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2017**

This statement sets out the material facts concerning Special Business, given in agenda item No.4 of the Notice which will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Business.

#### **Agenda Item No.4(a) of the Notice – Transactions carried out with associated companies/related parties during the year ended December 31, 2023 to be passed as a Special Resolution.**

The transactions carried out in normal course of business with associated companies/related parties were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the Board meeting it was pointed out by the Directors that as the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the associated companies/related parties, the quorum of directors seemingly could not be formed for approval of some of these transactions specifically, therefore, these transactions have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions conducted during the financial year ended December 31, 2023 with associated companies/related parties shown in Note No.35 & 30 of the audited financial statements (Conventional and Window Takaful Operations respectively) are being placed before the shareholders for their consideration and approval/ratification.

#### **Agenda Item No.4(b) of the Notice – Authorization to the Chief Executive Officer for the transactions carried out and to be carried out with associated companies/related parties during the ensuing year ending December 31, 2024 to be passed as a Special Resolution.**

The Company would be conducting transactions with associated companies/related parties in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the associated companies/related parties. Therefore, such transactions with associated companies/related parties have to be approved by the shareholders.

The shareholders may authorize the Chief Executive Officer to approve transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending December 31, 2024.

The Directors are interested in the above items to the extent of their common directorships and shareholding in the associated companies/related parties and the privileges attached thereto only.

# Corporate Calendar

 Audit Committee meeting to consider accounts of the Company for the year ended December 31, 2022	<a href="#">March 16, 2023</a>
 Board of Directors' meeting to consider accounts of the Company for the year ended December 31, 2022	<a href="#">March 17, 2023</a>
 Audit Committee meeting to consider accounts of the Company for the quarter ended March 31, 2023	<a href="#">April 19, 2023</a>
 Board of Directors' meeting to consider accounts of the Company for the quarter ended March 31, 2023	<a href="#">April 26, 2023</a>
 Annual General Meeting of shareholders to consider accounts of the Company for the year ended December 31, 2022	<a href="#">April 27, 2023</a>
 Extraordinary General Meeting of shareholders for election of Director's	<a href="#">May 29, 2023</a>
 Board of Directors' meeting after reconstitution of the Board to elect Chairman of the Board, Chief Executive & form Board Sub Committees	<a href="#">June 08, 2023</a>
 Audit Committee meeting to consider accounts of the Company for the half year ended June 30, 2023	<a href="#">August 21, 2023</a>
 Board of Directors' meeting to consider accounts of the Company for the half year ended June 30, 2023	<a href="#">August 25, 2023</a>
 Audit Committee meeting to consider accounts of the Company for the quarter ended September 30, 2023	<a href="#">October 24, 2023</a>
 Board of Directors' meeting to consider accounts of the Company for the quarter ended September 30, 2023	<a href="#">October 26, 2023</a>
 Extraordinary General Meeting of shareholders to consider circulation of Annual Report through QR enabled code and web link	<a href="#">December 05, 2023</a>

# Access to Reports and Enquiries

## Annual Report

Annual Report 2023 has been uploaded on the website of the Company, which can be downloaded from the following link and/or QR enable code or printed copies obtained by writing to:

<https://cicl.com.pk/financial-reports/>



The Company Secretary  
Century Insurance Company Limited  
Registered & Corporate Office  
Lakson Square Building No. 2, Sarwar Shaheed  
Road, Karachi-74200, Pakistan.

## Quarterly Reports

The Company publishes interim reports at the end of first, second and third quarters of the financial year. The interim reports for the year 2023 can be accessed from Century Insurance website: [www.cicl.com.pk](http://www.cicl.com.pk) or printed copies can be obtained by writing to the Company Secretary.

## Shareholders' Enquiries

Shareholders' enquiries about their holding, dividends or share certificates should be directed either to Company's registered office or shares registrar at the following address:

M/s. FAMCO Share Registration Services (Pvt.) Ltd.  
8-F, Near Hotel Faran, Nursery, Block-6,  
P.E.C.H.S., Shahra-e-Faisal, Karachi.

## Stock Exchange Listing

Shares of Century Insurance Company Limited are listed on Pakistan Stock Exchange Limited. The symbol code for dealing in shares of the Company is **CENI**.

# Organisation Chart



# Performance Highlights

(Rupees in million)

↑  
8%

Gross Premium  
(Including Takaful  
Contribution) **2023** 2,219  
2022 2,061

↑  
16%

Shareholders'  
Equity **2023** 2,823  
2022 2,429

↑  
12%

Net Premium **2023** 1,197  
2022 1,072

↑  
7%

Technical  
Reserves **2023** 1,286  
2022 1,186

↑  
14%

Underwriting  
Profit **2023** 252  
2022 221

↑  
18%

Total Assets **2023** 5,072  
2022 4,282

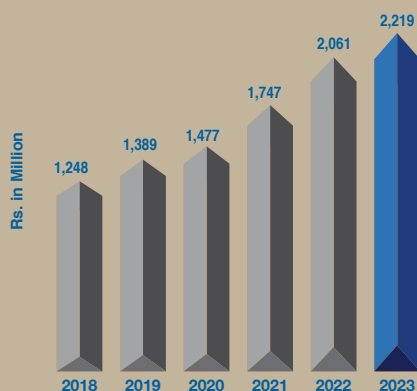
↑  
2%

Cash & Bank  
Balances **2023** 436  
2022 426

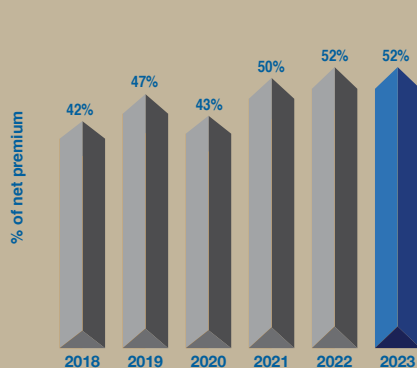
↑  
28%

Investments **2023** 2,867  
2022 2,243

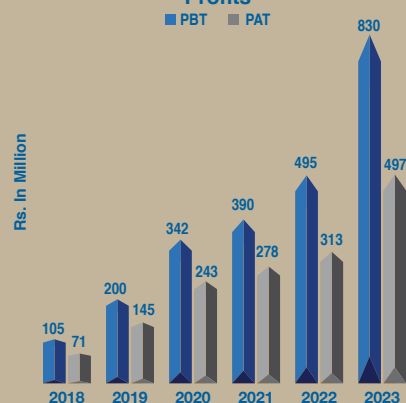
Gross Premium  
(including Takaful Contribution)



Net Claim Ratio

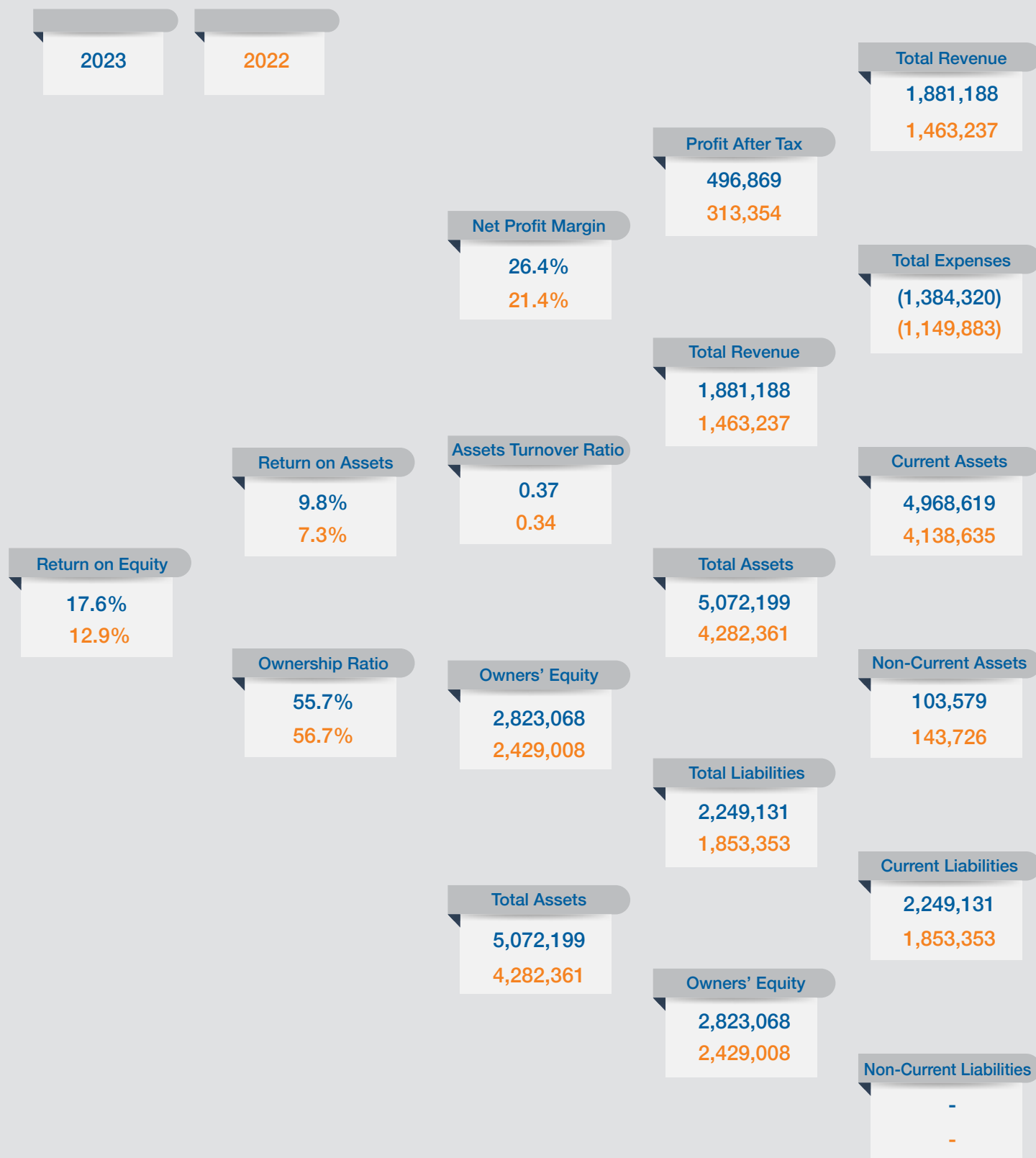


Profits



# DuPont Analysis

Rs. in '000



# Horizontal Analysis

	2023 (Rupees)	%	2022 (Rupees)	%	2021 (Rupees)	%	2020 (Rupees)	%	2019 (Rupees)	%	2018 (Rupees)	%
<b>STATEMENT OF FINANCIAL POSITION</b>												
Assets												
Property & equipment	100,890,307	-17.2%	121,843,946	-3.0%	125,567,780	3.6%	121,150,269	-6.8%	129,993,035	79.7%	72,325,607	10.1%
Intangible assets	747,250	-11.1%	840,250	100.0%	-	-	-	-100.0%	9,741	-63.1%	26,407	-94.4%
Investment in associates	73,966,924	9.8%	67,361,755	11.0%	60,681,713	21.5%	49,959,574	26.8%	39,404,247	-12.7%	45,144,162	7.1%
Investments	2,792,995,375	28.4%	2,175,900,143	20.4%	1,807,801,451	7.7%	1,678,815,338	1.3%	1,657,439,548	22.0%	1,359,046,751	-8.0%
Loan and other receivable	95,975,373	105.8%	46,624,061	10.3%	42,277,283	0.0%	42,262,996	13.0%	37,416,224	81.8%	20,585,208	-91.4%
Insurance / reinsurance receivable	822,041,695	7.2%	766,758,124	41.7%	541,142,145	-2.4%	554,679,355	10.9%	500,355,096	10.5%	452,631,626	6.1%
Reinsurance recoveries against outstanding claims	193,897,623	0.2%	193,417,129	56.9%	123,311,654	-1.6%	125,342,540	28.4%	97,581,839	-2.4%	100,016,385	33.5%
Salvage recoveries accrued	2,785,000	-66.1%	8,213,493	2.9%	7,985,000	187.7%	2,775,000	-30.7%	4,005,000	0.8%	3,975,000	63.8%
Deferred commission expense	32,747,815	4.2%	31,438,864	8.7%	28,909,708	12.7%	25,643,610	-27.3%	35,271,269	6.7%	33,060,770	2.6%
Deferred taxation	1,941,781	-90.8%	21,041,768	3.7%	20,282,884	-42.0%	34,941,495	-17.7%	42,441,773	-20.3%	53,228,969	50.9%
Defined benefit obligations	14,059,440	100.0%	-	-	-	-	-	-	-	-	-	-
Prepayments	280,250,689	11.9%	250,467,869	5.9%	236,618,982	13.0%	209,416,425	12.9%	185,447,129	3.2%	179,614,482	5.2%
Cash and bank deposits	436,347,757	2.3%	426,475,752	-41.2%	725,474,690	59.7%	454,365,700	70.2%	267,024,544	-39.4%	440,366,476	277.1%
Total assets of Window Takaful Operation's - Operator's Fund	223,551,545	30.0%	171,977,536	31.9%	130,422,076	26.0%	103,495,918	15.2%	89,831,932	28.8%	69,721,881	32.2%
Total assets	5,072,198,574	18.4%	4,282,360,690	11.2%	3,850,475,366	13.2%	3,402,848,220	10.3%	3,086,221,377	9.1%	2,829,743,724	3.4%
Equity and Liabilities												
Ordinary share capital	553,264,840	0.0%	553,264,840	10.0%	502,968,030	0.0%	502,968,030	0.0%	502,968,030	0.0%	502,968,030	0.0%
Share premium	254,024,260	0.0%	254,024,260	0.0%	254,024,260	0.0%	254,024,260	0.0%	254,024,260	0.0%	254,024,260	0.0%
Reserves	216,463,724	7.2%	202,008,210	-10.3%	225,233,575	23.9%	181,840,187	46.0%	124,545,934	39.1%	89,518,648	9.4%
Unappropriated profit	1,799,315,078	26.7%	1,419,710,349	10.7%	1,282,749,800	15.5%	1,110,233,075	16.2%	955,159,703	9.3%	873,893,357	-2.0%
Outstanding claims including IBNR	397,707,648	1.7%	391,209,002	32.7%	294,800,833	13.3%	260,105,733	26.1%	206,337,532	7.0%	192,759,004	16.4%
Unearned premium reserve	816,790,202	10.7%	737,791,111	15.0%	641,585,269	23.1%	521,370,886	5.5%	494,320,532	12.5%	439,281,123	14.7%
Unearned reinsurance commission	53,028,033	-6.2%	56,532,968	4.2%	54,234,596	16.1%	46,716,196	16.4%	40,139,097	2.4%	39,191,757	1.7%
Retirement benefit obligations	-	-100.0%	18,659,835	92.9%	9,672,912	114.0%	4,519,519	-12.1%	5,141,096	-0.4%	5,162,059	-0.2%
Premiums received in advance	7,260,474	67.2%	4,343,566	45.6%	2,982,677	57.7%	1,891,673	84.8%	1,023,802	78.6%	573,295	-28.8%
Insurance / reinsurance payables	593,491,964	86.9%	317,525,344	3.9%	305,654,671	30.2%	234,715,482	-3.5%	243,253,439	4.8%	232,154,530	3.1%
Other creditors and accruals	164,448,644	-6.4%	175,701,035	12.5%	156,238,398	2.3%	152,676,442	-19.0%	188,481,027	21.0%	155,776,279	15.1%
Taxation - provision less payments	136,226,166	60.1%	85,084,215	18.7%	71,686,314	-26.0%	96,880,283	130.4%	42,056,608	43.7%	29,269,328	-39.0%
Total liabilities of Window Takaful Operation's - Operator's Fund	80,177,541	20.6%	66,505,955	36.7%	48,644,031	39.4%	34,906,454	21.3%	28,770,317	89.6%	15,172,054	329.5%
Total Equity and Liabilities	5,072,198,574	18.4%	4,282,360,690	11.2%	3,850,475,366	13.2%	3,402,848,220	10.3%	3,086,221,377	9.1%	2,829,743,724	3.4%
<b>PROFIT AND LOSS ACCOUNT</b>												
Net insurance premium	1,197,153,489	11.6%	1,072,368,413	19.5%	897,582,289	6.1%	846,099,290	8.5%	779,722,143	13.0%	690,289,955	16.4%
Net insurance claims	(618,517,621)	10.1%	(561,534,977)	24.9%	(449,747,549)	24.9%	(360,165,103)	-0.7%	(362,676,565)	25.8%	(288,198,657)	16.7%
Net commission and other acquisition costs	87,072,346	-13.0%	100,119,141	23.6%	81,025,464	100.2%	40,466,589	213.1%	12,925,559	12.4%	11,496,471	-50.5%
Management expenses	(413,795,674)	6.1%	(389,981,028)	21.3%	(321,553,976)	-3.3%	(332,547,935)	12.8%	(294,771,909)	3.8%	(283,862,979)	0.0%
Investment income / (loss)	449,940,380	147.0%	182,150,156	57.0%	116,008,967	45.9%	79,513,925	184.0%	27,995,256	-151.5%	(54,336,292)	-136.9%
Other income	76,941,573	17.9%	65,274,944	23.6%	52,809,245	-16.9%	63,515,340	35.0%	47,039,373	65.3%	28,462,180	431.8%
Other expenses	(15,032,603)	27.3%	(11,809,889)	-5.2%	(12,463,122)	12.3%	(11,102,156)	13.5%	(9,779,320)	-6.6%	(10,466,253)	21.7%
Finance costs - Lease liabilities	(3,767,436)	-20.4%	(4,730,239)	-16.0%	(5,634,194)	-9.7%	(6,240,748)	2.4%	(6,095,558)	0.0%	-	0.0%
Share of profit / (loss) of associates	9,563,620	15.5%	8,280,916	-36.2%	12,986,965	4.7%	12,408,460	79.4%	6,918,238	64.2%	4,212,621	-23.2%
(Impairment) / reversal in value of investment in associates	-	-	-	-	-	-	-	-100.0%	(11,079,350)	0.0%	-	-
Profit / (loss) from Window Takaful Operations	60,516,986	72.7%	35,043,112	88.3%	18,614,324	77.8%	10,469,119	10.7%	9,456,795	27.4%	7,422,950	702.6%
Income tax expense	(333,206,395)	83.3%	(181,826,566)	62.2%	(112,102,655)	12.3%	(99,814,471)	83.3%	(54,458,305)	61.6%	(33,693,272)	-64.0%
Profit after tax	496,868,665	58.6%	313,353,983	12.9%	277,525,758	14.4%	242,602,310	67.1%	145,196,357	103.6%	71,326,724	-49.1%

# Vertical Analysis

	2023 (Rupees)	%	2022 (Rupees)	%	2021 (Rupees)	%	2020 (Rupees)	%	2019 (Rupees)	%	2018 (Rupees)	%
<b>STATEMENT OF FINANCIAL POSITION</b>												
<b>Assets</b>												
Property & equipment	100,890,307	2.0%	121,843,946	2.8%	125,567,780	3.3%	121,150,269	3.6%	129,993,035	4.2%	72,325,607	2.6%
Intangible assets	747,250	0.0%	840,250	0.0%	-	0.0%	-	0.0%	9,741	0.0%	26,407	0.0%
Investment in associates	73,966,924	1.5%	67,361,755	1.6%	60,681,713	1.6%	49,959,574	1.5%	39,404,247	1.3%	45,144,162	1.6%
Investments	2,792,995,375	55.1%	2,175,900,143	50.8%	1,807,801,451	47.0%	1,678,815,338	49.3%	1,657,439,548	53.7%	1,359,046,751	48.0%
Loan and other receivable	95,975,373	1.9%	46,624,061	1.1%	42,277,283	1.1%	42,262,996	1.2%	37,416,224	1.2%	20,585,208	0.7%
Insurance / reinsurance receivable	822,041,695	16.2%	766,758,124	17.9%	541,142,145	14.1%	554,679,355	16.3%	500,355,096	16.2%	452,631,626	16.0%
Reinsurance recoveries against outstanding claims	193,897,623	3.8%	193,417,129	4.5%	123,311,654	3.2%	125,342,540	3.7%	97,581,839	3.2%	100,016,385	3.5%
Salvage recoveries accrued	2,785,000	0.1%	8,213,493	0.2%	7,985,000	0.2%	2,775,000	0.1%	4,005,000	0.1%	3,975,000	0.1%
Deferred commission expense	32,747,815	0.6%	31,438,864	0.7%	28,909,708	0.8%	25,643,610	0.8%	35,271,269	1.1%	33,060,770	1.2%
Deferred taxation	1,941,781	0.0%	21,041,768	0.5%	20,282,884	0.5%	34,941,495	1.0%	42,441,773	1.4%	53,228,969	1.9%
Defined benefit obligations	14,059,440	0.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Prepayments	280,250,689	5.5%	250,467,869	5.8%	236,618,982	6.1%	209,416,425	6.2%	185,447,129	6.0%	179,614,482	6.3%
Cash and bank deposits	436,347,757	8.6%	426,475,752	10.0%	725,474,690	18.8%	454,365,700	13.4%	267,024,544	8.7%	440,366,476	15.6%
Total assets of Window Takaful Operation's - Operator's Fund	223,551,545	4.4%	171,977,536	4.0%	130,422,076	3.4%	103,495,918	3.0%	89,831,932	2.9%	69,721,881	2.5%
Total assets	5,072,198,574	100.0%	4,282,360,690	100.0%	3,850,475,366	100.0%	3,402,848,220	100.0%	3,086,221,377	100.0%	2,829,743,724	100.0%
<b>Equity and Liabilities</b>												
Ordinary share capital	553,264,840	10.9%	553,264,840	12.9%	502,968,030	13.1%	502,968,030	14.8%	502,968,030	16.3%	502,968,030	17.8%
Share premium	254,024,260	5.0%	254,024,260	5.9%	254,024,260	6.6%	254,024,260	7.5%	254,024,260	8.2%	254,024,260	9.0%
Reserves	216,463,724	4.3%	202,008,210	4.7%	225,233,575	5.8%	181,840,187	5.3%	124,545,934	4.0%	89,518,648	3.2%
Unappropriated profit	1,799,315,078	35.5%	1,419,710,349	33.2%	1,282,749,800	33.3%	1,110,233,075	32.6%	955,159,703	30.9%	873,893,357	30.9%
Outstanding claims including IBNR	397,707,648	7.8%	391,209,002	9.1%	294,800,833	7.7%	260,105,733	7.6%	206,337,532	6.7%	192,759,004	6.8%
Unearned premium reserve	816,790,202	16.1%	737,791,111	17.2%	641,585,269	16.7%	521,370,886	15.3%	494,320,532	16.0%	439,281,123	15.5%
Unearned reinsurance commission	53,028,033	1.0%	56,532,968	1.3%	54,234,596	1.4%	46,716,196	1.4%	40,139,097	1.3%	39,191,757	1.4%
Retirement benefit obligations	-	0.0%	18,659,835	0.4%	9,672,912	0.3%	4,519,519	0.1%	5,141,096	0.2%	5,162,059	0.2%
Premiums received in advance	7,260,474	0.1%	4,343,566	0.1%	2,982,677	0.1%	1,891,673	0.1%	1,023,802	0.0%	573,295	0.0%
Insurance / reinsurance payables	593,491,964	11.7%	317,525,344	7.4%	305,654,671	7.9%	234,715,482	6.9%	243,253,439	7.9%	232,154,530	8.2%
Other creditors and accruals	164,448,644	3.2%	175,701,035	4.1%	156,238,398	4.1%	152,676,442	4.5%	188,481,027	6.1%	155,776,279	5.5%
Taxation - provision less payments	136,226,166	2.7%	85,084,215	2.0%	71,686,314	1.9%	96,880,283	2.8%	42,056,608	1.4%	29,269,328	1.0%
Total liabilities of Window Takaful Operation's - Operator's Fund	80,177,541	1.6%	66,505,955	1.6%	48,644,031	1.3%	34,906,454	1.0%	28,770,317	0.9%	15,172,054	0.5%
Total Equity and Liabilities	5,072,198,574	100.0%	4,282,360,690	100.0%	3,850,475,366	100.0%	3,402,848,220	100.0%	3,086,221,377	100.0%	2,829,743,724	100.0%
<b>PROFIT AND LOSS ACCOUNT</b>												
Net insurance premium	1,197,153,489	100.0%	1,072,368,413	100.0%	897,582,289	100.0%	846,099,290	100.0%	779,722,143	100.0%	690,289,955	100.0%
Net insurance claims	(618,517,621)	-51.7%	(561,534,977)	-52.4%	(449,747,549)	-50.1%	(360,165,103)	-42.6%	(362,676,565)	-46.5%	(288,198,657)	-41.8%
Net commission and other acquisition costs	87,072,346	7.3%	100,119,141	9.3%	81,025,464	9.0%	40,466,589	4.8%	12,925,559	1.7%	11,496,471	1.7%
Management expenses	(413,795,674)	-34.6%	(389,981,028)	-36.4%	(321,553,976)	-35.8%	(332,547,935)	-39.3%	(294,771,909)	-37.8%	(283,862,979)	-41.1%
Investment (loss) / income	449,940,380	37.6%	182,150,156	17.0%	116,008,967	12.9%	79,513,925	9.4%	27,995,256	3.6%	(54,336,292)	-7.9%
Other income	76,941,573	6.4%	65,274,944	6.1%	52,809,245	5.9%	63,515,340	7.5%	47,039,373	6.0%	28,462,180	4.1%
Other expenses	(15,032,603)	-1.3%	(11,809,889)	-1.1%	(12,463,122)	-1.4%	(11,102,156)	-1.3%	(9,779,320)	-1.3%	(10,466,253)	-1.5%
Finance costs - Lease liabilities	(3,767,436)	-0.3%	(4,730,239)	-0.4%	(5,634,194)	-0.6%	(6,240,748)	-0.7%	(6,095,558)	-0.8%	-	0.0%
Share of profit / (loss) of associates	9,563,620	0.8%	8,280,916	0.8%	12,986,965	1.4%	12,408,460	1.5%	6,918,238	0.9%	4,212,621	0.6%
(Impairment) / reversal in value of investment in associates	-	0.0%	-	0.0%	-	0.0%	-	0.0%	(11,079,350)	-1.4%	-	0.0%
Profit / (loss) from Window Takaful Operations	60,516,986	5.1%	35,043,112	3.3%	18,614,324	2.1%	10,469,119	1.2%	9,456,795	1.2%	7,422,950	1.1%
Income tax expense	(333,206,395)	-27.8%	(181,826,566)	-17.0%	(112,102,655)	-12.5%	(99,814,471)	-11.8%	(54,458,305)	-7.0%	(33,693,272)	-4.9%
Profit after tax	496,868,665	41.5%	313,353,983	29.2%	277,525,758	30.9%	242,602,310	28.7%	145,196,357	18.6%	71,326,724	10.3%

# Share Price & Volume Analysis

The Company's share prices & volume on the PSX in the year 2023.

Month	Highest --- (Rupees per Share) ---	Lowest	Average of Volume -- No of Shares --
January	17.00	15.63	19,800
February	16.95	15.99	10,857
March	17.94	15.15	15,167
April	26.12	16.00	10,500
May	18.00	15.00	4,423
June	16.50	15.01	3,643
July	17.90	16.00	2,375
August	18.00	16.00	12,917
September	19.90	18.04	10,955
October	20.76	18.75	3,071
November	22.36	19.80	5,821
December	24.50	20.00	20,000

## Share Price Sensitivity Analysis

The Company's share price is sensitive to the following factors:

- Country's economic conditions.
- Political scenario.
- Stock market sentiments.
- Company's performance.
- Dividend announcements.
- Change in government policies and regulations relating to insurance business.
- Company's Financial Strength Rating.

## Market Capitalization

Particulars	Years					
	2023	2022	2021	2020	2019	2018
Number of Shares outstanding (in million)	55	55	50	50	50	50
Market closing price of share as on December 31 (PSX) (Rs.)	21.01	16.01	19.00	22.75	20.00	23.10
Market Share Capitalisation (Rs. in million)	1,156	881	950	1,138	1,000	1,155

# Chairman's Review

On behalf of the Board of Directors, it is my pleasure to present to you, the Annual Report and performance review of the Company for the year ended December 31, 2023.

## Review of the Economy

Though Pakistan's economy is estimated to have contracted by 0.6 percent in FY2023, on account of floods having caused heavy damage to crop and livestock, there has been some recovery of output since the start of FY2024. Bloomberg is projecting GDP growth of 2.1 percent in FY24 with an acceleration to 4.8 percent in FY25. The Finance Division of the Government of Pakistan also has an overall positive outlook for FY2024, citing reduced inflationary pressures, positive prospects in agriculture, signs of recovery in the industrial sector and a favorable external environment.

Cotton and rice production have shown good growth and wheat cultivation has also mostly met its planned area. Farm tractor production is up by over 60% during Jul-Nov FY24 and urea and DAP offtake is also up compared to the same period last year, resulting in a positive outlook for this sector. The LSM sector contracted slightly by 0.4 percent during Jul-Oct FY2024 with 12 of 22 sectors witnessing growth while the rest witnessed negative growth. However, positive momentum in the external environment leads one to expect a recovery in industrial activity during the coming months.

Though inflation appears to be coming down it is still very high, clocking in at 28.6 percent during Jul-Nov FY2024. Major contributors included Food; Housing; Water, Electricity, Gas & Fuel; Health and Transport. However, inflation is expected to decline in the second half of FY2024 on the back of better agricultural output and decreasing international oil prices.

On the monetary side, the Monetary Policy Committee in its December 2023 meeting, kept the policy rate unchanged at 22 percent as inflation was still felt to be high.

On the fiscal side, the deficit came down to 0.8 percent of GDP during Jul-Oct FY 2024, as the rise in total revenue receipts was greater than the growth in expenditures. The tax revenue targets for FY2024 are expected to be achieved. Expenditures are also being contained but the challenge of higher markup payments is likely to persist into the foreseeable future.

With respect to the external sector, the Current Account deficit decreased to \$ 1.16 billion during Jul-Nov FY2024 versus a deficit of \$ 3.3 billion during the same period in FY2023. This was mainly due to a decrease in the trade deficit to \$ 8.8 billion during this period from \$13.4 billion last year, thanks to a 5.0 percent increase in exports and a 16.0 percent decrease in imports during the same period. The outlook for the Current Account is that the deficit will remain within a manageable limit during the remainder of FY2024.

## Company Performance Highlights

2023 has been another good year for Century Insurance Company Limited. All insurance classes of business showed growth and there was an increase in underwriting income. Investment & Other Income also increased as compared to last year on account of a prudent balance between equity and fixed income investments.

The comparative financial highlights for the years 2023 and 2022 are presented as follows:

Rs. In Millions (except otherwise stated)

Description	2023	2022	Increase / (Decrease)	
			Amount	%
Gross Written Premium (including Takaful Contribution)	<b>2,219</b>	2,061	158	8
Net Premium	<b>1,197</b>	1,072	125	12
Underwriting results	<b>252</b>	221	31	14
Investment & other income	<b>536</b>	256	280	109
Profit from Window Takaful Operations	<b>61</b>	35	26	74
Profit before tax	<b>830</b>	495	335	68
Profit after tax	<b>497</b>	313	184	59
Earnings per share (Rs.)	<b>8.98</b>	5.66	3.32	59
Total assets	<b>5,072</b>	4,282	790	18
Paid-up capital	<b>553</b>	553	-	-
Total equity	<b>2,823</b>	2,429	394	16

During the year under review, gross premium (including Takaful Contribution) increased by 8 percent from Rs. 2,060.7 million in 2022 to Rs. 2,219.3 million in 2023. Net premium increased by 12 percent from Rs. 1,072.4 million last year to Rs. 1,197.2 million in 2023 whereas net claims increased by 10 percent from Rs. 561.5 million last year to Rs. 618.5 million in 2023. The Underwriting result increased by 14 percent from Rs. 221.0 million in 2022 to Rs. 251.9 million in 2023.

### Window Takaful Operations

The overall Takaful performance was satisfactory.

#### Participant Takaful Fund (PTF)

The Gross Written Contribution for FY2023 was Rs. 250.2 million as compared to Rs. 213.5 million last year. Net contribution revenue (before adjustment for wakala fee) was Rs. 131.9 million as compared to Rs. 114.8 million last year and surplus for FY2023 was Rs. 33.0 million as compared to Rs. 8.6 million in the previous year.

#### Operator's Fund (OPF)

Gross Wakala Fee for FY2023 was Rs. 91.0 million whereas Net Wakala Fee was Rs. 86.3 million. Profit before tax was Rs. 60.5 million.

### Segments at a Glance

All classes of business produced satisfactory results as given below:

#### Fire & Property Damage

Fire & Property Damage class of business accounted for 25 percent of the total premium portfolio. Gross

premium underwritten (including Takaful contribution) during the year was Rs. 548.8 million as compared to Rs. 517.7 million in 2022, an increase of 6 percent. Net premium stood at Rs. 48.4 million as against Rs. 28.4 million in 2022, an increase of 70 percent. Net claim to net premium ratio for the year under review was 4 percent.

#### Marine, Aviation and Transport

Marine, Aviation & Transport class of business accounted for 22 percent of the total premium portfolio. Gross premium underwritten (including Takaful contribution) during the year was Rs. 502.5 million as compared to Rs. 466.8 million in 2022, an increase of 8 percent. Net premium stood at Rs. 230.5 million as against Rs. 252.6 million in 2022, decreasing by 9 percent. The net claim to net premium ratio for the year under review was 10 percent.

#### Motor

Motor class of business accounted for 24 percent of the total premium portfolio. Gross premium underwritten (including Takaful contribution) during the year was Rs. 529.3 million as compared to Rs. 525.6 million in 2022, an increase of 1 percent. Net premium stood at Rs. 388.1 million as against Rs. 380.4 million in 2022, an increase of 2 percent. The net claim to net premium ratio for the year under review was 44 percent.

#### Accident and Health

Accident and Health class of business accounted for 24 percent of the total premium portfolio. Gross premium underwritten (including Takaful contribution) during the year was Rs. 535.5 million as compared to Rs. 447.4 million in 2022, an increase of 20 percent. Net premium

stood at Rs. 498.1 million as against Rs. 389.3 million in 2022, an increase of 28 percent. The net claim to net premium ratio for the year under review was 84 percent.

#### Miscellaneous

Miscellaneous class of business accounted for 5 percent of the total premium portfolio. Gross premium underwritten (including Takaful contribution) during the year was Rs. 103.2 million as compared to Rs. 103.2 million in 2022. Net premium stood at Rs. 32.0 million as against Rs. 21.7 million in 2022, an increase of 48 percent. The net claim to net premium ratio for the year under review was 14 percent.

#### Investment & Other Income

The overall Investment and Other Income for the year under review was Rs. 536.5 million as against Rs. 255.7 million in 2022, an increase of 109 percent.

The realized gain from sale of shares, mutual funds and debt securities was Rs. 105.6 million, dividend income from shares was Rs. 32.2 million and returns earned on government & fixed income securities was Rs. 280.4 million. Other income, including interest on bank deposits was Rs. 76.9 million.

Management's policy is to make diversified and secure investments while ensuring safety and a sound balance between risk and return.

#### Claim Settlement

Prompt settlement of claims and customer satisfaction is the company's highest priority as it helps build the trust of its valued clients and earns their goodwill.

#### Board Performance Evaluation

For the Financial year ended December 31, 2023, the Board's overall performance and effectiveness has been assessed as satisfactory. Improvements are an ongoing process leading to action plans. The overall assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitoring financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

#### Reinsurance

The company has strong reinsurance arrangements with some of the best and most highly rated reinsurers in the international market who have full faith and confidence

in its underwriting practices. We are thankful to all our reinsurers for their unwavering support and continued cooperation.

#### Insurer Financial Strength Rating (IFSR)

VIS Credit Rating Company Limited has reaffirmed the Insurer Financial Strength rating the company at 'AA' with Stable outlook. The IFS rating denotes very strong capacity to meet policy holders and contract obligations.

#### Human Resource Initiatives

The management is of the firm belief that complete alignment of the human resource strategy with overall corporate goals is vital for the success and growth of any organization. In today's competitive environment, we realize that it is important to place emphasis on recruiting new talent while retaining and developing existing staff and implementing effective performance reviews. During the year under review, your company has been successful in hiring quality professionals particularly in the area of business development. Our continued focus on creating a meritocratic work environment with equal opportunity for all and a clear career path help in maintaining a pool of knowledgeable, experienced and motivated employees who remain our most valuable asset.

#### Acknowledgments

On behalf of the directors of the company, we wish to place on record our appreciation of the efforts of all the employees of the company in enabling its growth and success. We are also grateful to our clients for their patronage, to the Securities & Exchange Commission of Pakistan (SECP) for its guidance as regulator of the insurance industry and to our reinsurers and shareholders for their trust and confidence in the company.



**Iqbal Ali Lakhani**  
Chairman

Karachi: March 13, 2024

## افرادی وسائل کے منصوبے

## اعتراف

میں ادارے کی ترقی اور کامیابی کو ممکن بنانے کے لیے تمام ملازمین کی کوششوں پر انہیں کمپنی ڈائریکٹرز کی جانب سے سراہنا چاہتا ہوں۔ ہم اپنے شانہ بشانہ رہنے پر تمام کلائنٹس، انشورنس انڈسٹری میں ریگولیٹر کی حیثیت سے رہنمائی کرنے پر سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور کمپنی پر بھروسہ و اعتماد کرنے پر اپنے ری انشوررز اور شیئرز ہولڈرز کے بھی شکر گزار ہیں۔

ادارے کی انتظامیہ یقیناً کامل رکھتی ہے کہ کسی بھی ادارے کے مجموعی اہداف کے کامیابی سے حصول کے لیے افرادی وسائل کی حکمت عملی سے مکمل ہم آہنگی ضروری ہے۔ آج کے مسابقتی ماحول میں ہم سمجھتے ہیں کہ موجودہ عملے کو برقرار رکھنا اور ترقی و کارکردگی کے مؤثر جائزے پیش کرتے ہوئے نئے ٹیلنٹ کا اضافہ کرنا اہم ہے۔ مذکورہ سال میں آپ کے ادارے نے بالخصوص بزنس ڈیولپمنٹ کے شعبے میں معیاری ماہرین کو کامیابی سے حاصل کیا۔ ہماری مسلسل توجہ اہلیت پر مبنی کام کا ماحول تخلیق کرنے پر مرکوز ہے کہ جہاں سب کے لیے یکساں مواقع ہوں اور زیرک، تجربہ کار اور ماہر ملازمین کے مجموعے کو برقرار رکھنے کے لیے کیریئر کا واضح راستہ ہو کیونکہ وہ ہمارا سب سے قابل قدر اثاثہ ہیں۔



اقبال علی لاکھانی  
چیئر مین

کراچی: 13 مارچ 2024ء

## سرمایہ کاری و دیگر آمدنی

زیر جائز سال کے لئے مجموعی طور پر سرمایہ کاری اور دیگر آمدنی میں 536.5 ملین روپے کا منافع ہوا، جو کہ 2022ء میں 255.7 ملین روپے کے مقابلے میں 109 فیصد اضافہ ہے۔

حصص اور میوچوئل فنڈز کی فروخت سے نفع 105.6 ملین روپے تھا، حصص سے ڈیویڈنڈ آمدنی 32.2 ملین روپے تھی اور سرکاری و طے شدہ انکم سکیورٹیز پر حاصل کردہ آمدنی 280.4 ملین روپے تھی۔ دیگر آمدنیاں، بشمول بینک ڈپازٹس پر سود، 76.9 ملین روپے رہیں۔

انتظامیہ کی پالیسی ہے کہ خطرات اور منافع جات میں محفوظ اور مستحکم توازن یقینی بناتے ہوئے متنوع اور محفوظ انویسٹمنٹس کی جائیں۔

## کلیم ادائیگی

کلیمر کی فوری ادائیگی اور صارف کا اطمینان ادارے کی اولین ترجیح ہے کیونکہ یہ صارفین کا اعتماد اور ان کی خوشنودی حاصل کرنے میں مدد دیتا ہے۔

## بورڈ کارکردگی کا جائزہ

مالی سال برائے 31 دسمبر 2023ء کے لیے بورڈ کی مجموعی کارکردگی اور افادیت اطمینان بخش قرار پائی ہے۔ بہتری ایک مستقل جاری رہنے والا عمل ہے جس کی مدد سے عملی منصوبہ بندیوں کو ممکن بنایا جاتا ہے۔ مجموعی جائزہ ضروری اجزاء کے انفرادی جائزے پر منحصر ہے جن میں دور اندیشی، نصب العین اور اقدار، حکمت عملی کے بنانے میں کردار، پالیسیز کی تشکیل، کمپنی میں جاری کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی، موثر ملی نگرانی، بورڈ کے کاروبار کو پورا کرنے میں ملازمین کے ساتھ منصفانہ سلوک اور بورڈ کی ذمہ داریوں کو کرنا شامل ہے۔

## ری انشورنس

کمپنی چند بہترین اور بین الاقوامی مارکیٹ میں عمدہ ساکھ رکھنے والے ری انشوررز کے ساتھ مضبوط ری انشورنس انتظامات رکھتی ہے۔ جنکا بیمہ کاری کے عمل پر مکمل یقین اور اعتماد ہے۔ ہم مستقل مدد اور مسلسل تعاون پر تمام ری انشوررز کے شکر گزار ہیں۔

## انشور فائنانشل اسٹرینتھ ریٹنگ (IFSR)

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے مستحکم آؤٹ لک کے ساتھ کمپنی کی درجہ بندی کو مالیاتی بنیاد پر 'AA' پر دوبارہ تصدیق کی ہے۔ IFS کی درجہ بندی پالیسی ہولڈرز اور معاہدہ کی ذمہ داریوں کو پورا کرنے کی بہت مضبوط صلاحیتوں کی نشاندہی کرتی ہے۔

## شعبہ جات پر ایک نظر

کاروبار کے تمام شعبوں نے بہترین کارکردگی پیش کی جو کہ مندرجہ ذیل ہے۔

## آتش زنی اور املاک کو نقصان / فائر اور پراپرٹی

آتش زنی اور املاک کے نقصان کا شعبہ کل پریمیئم پورٹ فولیو کا 25 فیصد رہا۔ سال بھر میں کل بیمہ پریمیئم (بشمول تکافل حصہ) 2022ء کے 517.7 ملین روپے کے مقابلے میں 548.8 ملین روپے رہا، جو کہ 6 فیصد اضافہ ہے۔ خالص پریمیئم 2022ء کے 28.4 ملین روپے کے مقابلے میں 70 فیصد اضافہ کے ساتھ 48.8 ملین روپے رہا۔ جائزے کے سال کے لیے خالص پریمیئم پر خالص کلیم کا تناسب 4 فیصد تھا۔

## بحری، ہوا بازی اور نقل و حمل

بحری، ہوا بازی اور نقل و حمل کاروباری شعبے کے کل پریمیئم پورٹ فولیو 23 فیصد حصہ رہا۔ کل بیمہ پریمیئم (بشمول تکافل حصہ) 2022ء کے 466.8 ملین روپے کے مقابلے میں سال بھر میں 502.5 ملین روپے رہا، جو 8 فیصد اضافہ ہے۔ خالص پریمیئم 2022ء کے 252.6 ملین روپے کے مقابلے میں 230.5 ملین روپے رہا جو 9 فیصد کی کمی ہے۔ جائزے کے سال کے لیے خالص پریمیئم پر خالص کلیم کا تناسب 10 فیصد تھا۔

## موٹر

موٹر کاروبار کا شعبہ کل پریمیئم پورٹ فولیو کا 24 فیصد ہے۔ کل بیمہ پریمیئم (بشمول تکافل حصہ) 2022ء کے 525.6 ملین روپے کے مقابلے میں سال بھر میں 529.3 ملین روپے رہا، جو 1 فیصد اضافہ ہے۔ خالص پریمیئم 02 فیصد اضافہ کے ساتھ 2022ء کے 380.4 ملین روپے کے مقابلے میں 388.1 ملین روپے رہا۔ جائزے کے سال میں خالص پریمیئم پر خالص کلیم کا تناسب 44 فیصد تھا۔

## حادثات اور صحت

کاروبار کا حادثات و صحت شعبہ کل پریمیئم پورٹ فولیو کے 24 فیصد پر مشتمل ہے۔ کل بیمہ پریمیئم (بشمول تکافل حصہ) سال بھر میں 535.5 ملین روپے رہا جو 2022ء میں 447.4 ملین روپے تھا یعنی 20 فیصد اضافہ ہوا۔ خالص پریمیئم 2022ء کے 389.3 ملین روپے کے مقابلے میں 498.1 ملین روپے رہا یعنی 28 فیصد اضافہ ہے۔ جائزے کے سال میں خالص پریمیئم پر خالص کلیم تناسب 84 فیصد تھا۔

## متفرق

کاروبار کا متفرق حصہ کل پریمیئم پورٹ فولیو کے 5 فیصد پر مشتمل ہے۔ سال بھر میں کل بیمہ پریمیئم (بشمول تکافل حصہ) 103.2 ملین روپے کے مقابلے میں 2022ء میں 103.2 ملین روپے تھا۔ خالص پریمیئم 48 فیصد اضافہ کے ساتھ 2022ء کے 21.7 ملین روپے کے مقابلے میں 32.0 ملین روپے رہا۔ جائزے کے سال کے لیے خالص پریمیئم پر خالص کلیم تناسب 14 فیصد تھا۔

2023ء اور 2022ء کے سالوں کے لیے مسابقتی مالیاتی جھلکیاں مندرجہ ذیل ہیں۔

(روپے ملین میں علاوہ دیگر بیانیہ)

بیان	2023ء	2022ء	رقم اضافہ/(کمی) فیصد
تحریر شدہ مجموعی پریمیم (بشمول تکافل حصہ)	2,219	2,061	158
خالص پریمیم	1,197	1,072	125
انڈر رائٹنگ نتائج	252	221	31
سرمایہ کاری و دیگر آمدنی	536	256	280
ونڈو تکافل آپریشن سے منافع	61	35	26
منافع قبل از ٹیکس	830	495	335
منافع بعد از ٹیکس	497	313	184
آمدنی فی حصص (روپے)	8.98	5.66	3.32
کل اثاثہ جات	5,072	4,282	790
ادا شدہ سرمایہ	553	553	-
کل ایکوٹی	2,823	2,429	394

جائزے کے سال میں مجموعی پریمیم (بشمول تکافل حصہ) 2022 میں 2,060.7 ملین روپے سے بڑھ کر 2023ء میں 2,219.3 ملین روپے ہوا، جو 8 فیصد اضافہ ہے۔ خالص پریمیم گزشتہ سال میں 1,072.4 ملین روپے کے مقابلے میں 12 فیصد اضافے کے ساتھ 2023ء میں 1,197.2 ملین روپے ہو گیا۔ جبکہ خالص کلیمرز گزشتہ سال میں 561.5 ملین روپے کے مقابلے میں 618.5 ملین روپے کا اضافہ ہوا، جو کہ 10 فیصد ہے۔ انڈر رائٹنگ نتیجہ 14 فیصد بہتری کے ساتھ 2022ء کے 221.0 ملین روپے کے مقابلے میں سال 2023ء کے اختتام پر 251.9 ملین روپے تک پہنچا۔

## ونڈو تکافل آپریشن

مجموعی تکافل کارکردگی کافی اطمینان بخش تھی۔

## پارٹیسپنٹ تکافل فنڈ (PTF)

مالی سال 2023ء کے لیے مجموعی تحریر شدہ حصہ داری گزشتہ سال میں 213.5 ملین روپے کے مقابلے میں 250.2 ملین روپے ہوا۔ خالص حصہ داری آمدنی (ایڈجسٹمنٹ قبل از وکالہ فیس) گزشتہ سال 114.8 ملین روپے کے مقابلے میں 131.9 ملین روپے تھی اور مالی سال 2023ء کے لیے گزشتہ سال میں سرپلس 8.6 ملین کے مقابلے میں 33.0 ملین روپے تھا۔

## آپریٹرز فنڈ (OPF)

مالی سال 2023ء کے لیے کل وکالہ فیس 91.0 ملین روپے اور خالص وکالہ فیس 86.3 ملین روپے تھی۔ منافع قبل از ٹیکس 60.5 ملین روپے تھا۔

## چیسر مین کا جائزہ

مالیاتی پہلو سے دیکھیں تو مانیٹری پالیسی کمیٹی نے اپنے دسمبر 2023 میں ہونے والے اجلاس میں پالیسی ریٹ کو 22 فیصد پر برقرار رکھا تھا کیونکہ افراط زر تب بھی بہت زیادہ سمجھا جا رہا تھا۔

مالی لحاظ سے دیکھیں تو مالی سال 2024 میں جولائی سے اکتوبر کے دوران خسارہ کم ہو کر جی ڈی پی کا 0.8 فیصد رہ گیا، کیونکہ مجموعی محصولات کی وصولی میں اضافہ اخراجات میں ہونے والے اضافے سے زیادہ تھا۔ مالی سال 2024 میں ٹیکس محصولات کے اہداف پورے ہونے کی توقع ہے۔ اخراجات پر بھی قابو پایا جا رہا ہے لیکن خدشہ ہے کہ مارک اپ کی ادائیگیوں کا چیلنج مستقبل قریب میں بھی موجود رہے گا۔

جہاں تک بیرونی شعبے کا تعلق ہے، مالی سال 2024 میں جولائی سے نومبر کے دوران کرنٹ اکاؤنٹ خسارہ کم ہو کر 1.16 ارب ڈالر رہ گیا جبکہ مالی سال 2023 کے اسی عرصے میں کرنٹ اکاؤنٹ خسارہ 3.3 ارب ڈالر تھا۔ اس کی بنیادی وجہ تجارتی خسارے کا گھٹنا تھا، جو گزشتہ سال کے 13.4 ارب ڈالر سے کم ہو کر اس عرصے میں 8.8 ارب ڈالر رہ گیا، وجہ برآمدات میں 5.0 فیصد اضافہ اور اسی عرصے کے دوران درآمدات میں 16.0 فیصد کی کمی رہی۔ کرنٹ اکاؤنٹ کے حوالے سے اندازہ یہی ہے کہ مالی سال 2024 کے باقی ماندہ عرصے میں اس کا خسارہ اُس حد میں رہے گا، جسے سنبھالا جا سکتا ہے۔

### ادارے کی کارکردگی کی جھلکیاں

2023ء سنجری انشورنس کمپنی لمیٹڈ کے لیے ایک اور اچھا سال رہا۔ کاروبار کے تمام انشورنس شعبوں نے نمو اور مجموعی طور پر منافع ظاہر کیا۔

گزشتہ سال کے مقابل ہمیں سرمایہ کاری اور دیگر آمدنی میں اضافہ ہوا ہے، جسکی وجہ پورٹ فولیو میں ایکویٹی اور فیکسڈ انکم میں محتاط سرمایہ کاری ہے۔

31 دسمبر 2023ء کو ختم ہونے والے سال کے لیے بورڈ آف ڈائریکٹرز کی جانب سے سالانہ رپورٹ اور ادارے کی کارکردگی کا جائزہ پیش کرنا میرے لیے خوشی کا باعث ہے۔

### معیشت کا جائزہ

اگرچہ کہ مالی سال 2023 میں پاکستان کی معیشت 0.6 فیصد سکڑنے کا اندازہ لگایا گیا تھا، جس کی وجہ سیلاب سے فصلوں اور مویشیوں کو پہنچنے والا بھاری نقصان تھا، مگر مالی سال 2024 کے آغاز سے اب تک پیداوار میں کچھ بہتری آئی ہے۔ بلومبرگ نے مالی سال 2024 میں پاکستان کی کل مقامی شرح پیداوار (جی ڈی پی) 2.1 فیصد کی نمو کا اندازہ لگایا ہے جبکہ مالی سال 2025 میں یہ 4.8 فیصد تک جانے کا امکان ہے۔ فنانس ڈویژن، حکومت پاکستان بھی مالی سال 2024 کے لیے مجموعی طور پر مثبت نقطہ نظر رکھتا ہے، جس کے لیے وہ افراط زر کے دباؤ میں کمی، زراعت میں مثبت امکانات، صنعتی شعبے سے ملنے والے بحالی کے اشارے اور سازگار بیرونی ماحول کو حوالہ بنا رہا ہے۔

کپاس اور چاول کی پیداوار میں اچھا اضافہ دیکھنے میں آیا ہے اور گندم کی کاشت بھی اپنے طے شدہ ہدف تک پہنچی ہے۔ مالی سال 2024 میں جولائی سے نومبر کے دوران زرعی ٹریکٹروں کی پیداوار میں 60 فیصد سے زیادہ اضافہ ہوا ہے اور یورپا اور ڈی اے پی کی فروخت میں بھی گزشتہ سال کے اسی دورانیے کے مقابلے میں اضافہ ہوا ہے، نتیجتاً اس شعبے کے لیے مثبت حالات متوقع ہیں۔ مالی سال 2024 میں جولائی سے اکتوبر کے دوران لاریج اسکیل مینوفیکچرنگ (ایل ایس ایم) سیکٹر میں 0.4 فیصد کی معمولی کمی واقع ہوئی ہے، جس میں 22 میں سے 12 شعبوں میں نمو دیکھی گئی جبکہ باقی شعبوں میں منفی رجحان نظر آیا۔ تاہم، بیرونی ماحول میں مثبت تحریک آئندہ مہینوں کے دوران صنعتی سرگرمی میں بحالی کی امید کا باعث ہے۔

اگرچہ افراط زر میں کمی آتی نظر آ رہی ہے لیکن یہ اب بھی بہت زیادہ ہے، جو مالی سال 2024 میں جولائی سے نومبر کے دوران 28.6 فیصد رہی۔ اس میں اپنا حصہ ڈالنے والی چیزوں میں اشیائے خورد و نوش، تعمیرات، پانی، بجلی، گیس اور ایندھن، صحت اور ذرائع نقل و حمل (ٹرانسپورٹ) شامل ہیں۔ تاہم بہتر زرعی پیداوار اور تیل کی بین الاقوامی قیمتوں میں کمی سے مالی سال 2024 کی دوسری شش ماہی میں افراط زر میں کمی آنے کا امکان ہے۔

# Directors' Report

The directors of Century Insurance Company Limited (the Company) take pleasure in presenting their report together with the annual audited financial statements and auditors' report thereon for the year ended December 31, 2023.

## Appropriation of Profit

Profits for the year ended December 31, 2023 has been appropriated as follows:

	(Rupees)
Balance brought forward from previous years	1,281,393,880
Total comprehensive income for year	517,921,198
Amount available for appropriations	1,799,315,078
Appropriations:	
Proposed final cash dividend @ 45% i.e. Rs. 4.50 per share (2022: @ 25% i.e. Rs. 2.50 per share)	(248,969,178)
Un-appropriated amount carried forward	1,550,345,900

## Earnings per Share

Your Company has earned a profit after tax of Rs. 496.9 million which translates into earnings per share of Rs. 8.98 as compared to Rs. 5.66 for the previous year.

## Paid-up Capital

Your Company has a strong financial base with a paid-up capital of Rs. 553.3 million. Factoring in retained earnings and reserves, the total equity as at December 31, 2023 stood at Rs. 2,823.1 million. The larger equity base will enhance the financial strength and underwriting capabilities of the Company.

## Auditors

M/s. BDO Ebrahim & Co., Chartered Accountants retire at the conclusion of the Annual General Meeting. Being eligible they have offered themselves for re-appointment. The Audit Committee has recommended their re-appointment.

The audit firm has confirmed that it has been awarded a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the guidelines of the International Federation of Accountants (IFAC) on the code of ethics, as adopted by the ICAP.

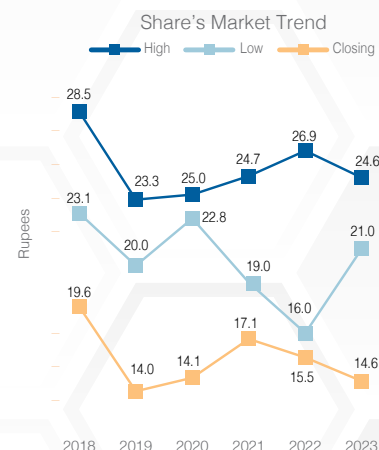
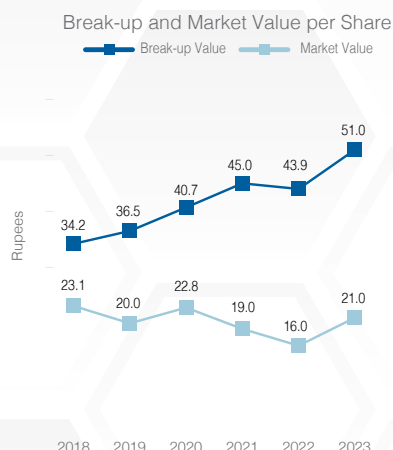
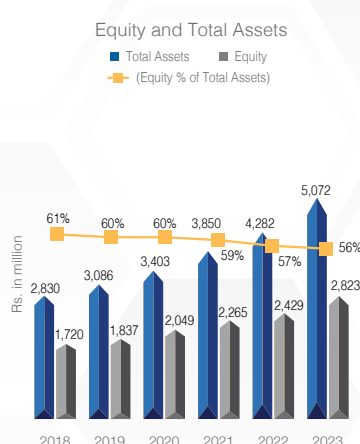
## Corporate Social Responsibility

Your Company believes in regulating its own behavior to ensure that it stays at all times within both the letter and spirit of the law and adheres to the highest ethical standards and norms within the insurance industry. Moreover, your company strives to make an actual social contribution whenever possible by supporting institutions working for the betterment of underprivileged sections of society in the areas of health, education and culture.

Your Company is also active in promoting insurance awareness and understanding in the country by participating in activities and projects undertaken by the Insurance Association of Pakistan.

## Internal Financial Controls

The directors are aware of their responsibility with respect to internal financial controls. Through discussions with the management and auditors (both internal and external), they confirm that adequate controls have been implemented by the Company.



### Contribution to National Exchequer

Your Company has contributed an amount of Rs. 529.01 million to the Government Treasury on account of taxes, levies and federal excise duty.

### Principle Risks and Uncertainties

The Company is exposed to certain risks and uncertainties. However, we consider the following as key areas of consideration:

- Political and economic uncertainties
- New channels of distribution
- Not keeping pace with advancement in information technology
- Underwriting and credit risk
- Equity market and interest rate risk
- Cybersecurity risk
- Liquidity and cash flow risk

The Company works with internal and external entities to address the above.

### Compliance with the Code of Corporate Governance

The Statement of Compliance with the Code of Corporate Governance is annexed with the report.

### Composition of the Board

During the year director were elected in extra ordinary General meeting held on May 29, 2023. The board consists of 6 male directors and 1 female director with following composition:

Independent Directors	2
Non-executive Directors	4
Executive Director	1
<b>Total number of Directors</b>	<b>7</b>

### Remuneration Policy of Directors

In order to comply with companies Act, 2017, Listed Companies (Code of Corporate Governance, Regulation 2019 and Articles of Association of the Company, the company has policy with respect to the remuneration of Chief Executive, Non-executive, Executive and Independent Directors.

The fees payable to the non-executive and independent directors for attending the Board and Committee meetings of the Company are determined by the Board from time to time.

The detail of the remuneration paid to the directors and Chief Executive of the company is as follows:

Rs. in Million

Directors	Meeting Fees	Managerial Remuneration	Bonus	Medical Expense	Total
Mr. Mohammad Hussain Hirji (Chief Executive Officer)	-	23.88	3.94	1.66	29.5
Mr. Atiq Anwar Mahmudi (from May 29, 2023)	0.33	-	-	-	0.33
Mr. Jawed Akhlaq (from May 29, 2023)	0.22	-	-	-	0.22
Mr. Sadrudin Ismail Mohamed (up to May 29, 2023)	0.18	-	-	-	0.18
Mr. Akbar Dawood Vazir (up to May 29, 2023)	0.08	-	-	-	0.08

### Board of Directors' Meetings

Five board meetings were held during the year. The number of meetings attended by each director is given hereunder:

Name of Directors	No. of Meetings Attended
Mr. Iqbal Ali Lakhani (Chairman)	5
Mr. Amin Mohammed Lakhani	4
Ms. Anushka Lakhani	3
Mr. Atiq Anwar Mahmudi (from May 29, 2023)	3
Mr. Jawed Akhlaq (from May 29, 2023)	3
Mr. Sadrudin Ismail Mohamed (up to May 29, 2023)	2
Mr. Akbar Dawood Vazir (up to May 29, 2023)	2
Mr. Aftab Ahmad	5
Mr. Mohammad Hussain Hirji (Chief Executive)	5

### Chief Executive Officer (CEO) Performance Review

The Board of Directors has extended the contract of Mr. Mohammad Hussain Hirji as Chief Executive Officer for a future tenure of three years. The Ethics, Human Resource & Remuneration Committee of the Board sets operational, financial and strategic objectives to evaluate the performance of the Chief Executive Officer of the Company and to review and monitor it on an annual basis.

## Board Committees

During the year, four (04) meetings of the Board, Audit Committee and two (02) Investment Committee were held and two (02) meeting was held of Ethics, Human Resource & Remuneration Committee. The names of the members of the board committees and their terms of reference are given in the annexure to this report. The Chairman of the board Audit Committee and Ethics, Human Resource & Remuneration Committee is an independent director.

## Management Committees

The Company has three management committees, which cover the core areas of business. The Committees' names, number of meetings, names of members and terms of references are given in the annexure to this report.

## Code of Conduct

The Board has adopted a code of conduct for all employees, who have in turn been informed of this code. All employees understand that they are required to observe these rules of conduct at all times.

## Statement of Directors' Responsibilities

The Directors are pleased to state that the Company is compliant with the financial reporting framework of the Code of Corporate Governance as required by the Securities & Exchange Commission of Pakistan (SECP).

Following are the statements on Corporate and Financial Reporting Framework:

- The financial statements together with the notes thereon have been drawn up by the management in conformity with the Insurance Ordinance, 2000 and Companies Act, 2017. These Statements present fairly the Company's state of affairs, the results 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 the preparation of financial statements except those as disclosed in the financial statements, if applicable. Accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards, International Financial Reporting Standards and any other regulation or law as applicable in Pakistan, have been followed in the preparation of these financial statements.
- The system of internal control is sound in design. The system is being continuously monitored by an internal audit function and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process

with the objective to further strengthen the controls and bring in improvements in the system.

- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no departure from the best practices of corporate governance.
- The key operating and financial data for the last six years is annexed.
- Information about taxes and levies is given in the notes to and forming part of financial statements.
- The majority of Directors has either completed the Director's Certification from authorized institutions or has the prescribed qualification and experience pursuant to Regulation 19 of the CCG.
- During the year Mr. Iqbal Ali Lakhani, Chairman has purchased 280,500 shares from the open market which were timely reported to the Pakistan Stock Exchange.
- The value of investments in respect of retirement benefit funds based on their respective accounts as on December 31, 2023 is as follows:

Provident Fund: Rs. 93.293 million

Gratuity Fund: Rs. 103.398 million

## Pattern of Shareholding

A statement showing pattern of shareholding of the Company and additional information as at December 31, 2023 is annexed with the report.

The Board has determined the threshold under clause xvi (l) of CCG-2012 in respect of trading of Company's shares by executives and employees at an annual basic salary of Rs. 2 million or above.

## Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

## Future Outlook

We are optimistic about the future outlook of Century Insurance Company Limited, though the country is going through challenging times. We aim to grow in terms of premium income and also in terms of market share. We will look to develop a full range of insurance products to cater to the commercial and retail segments and also develop micro insurance and digital/internet based products.

Your company will continue to grow and train its field force, especially with respect to serving the corporate sector. Moreover, it will focus on developing new channels of digital distribution so as to effectively penetrate the retail and micro-insurance markets. It will also explore coordinating with banks and other entities to develop new and cost-effective distribution channels.



**Mr. Iqbal Ali Lakhani**  
Chairman

Karachi: March 13, 2024

With the recent rise in interest rates to record levels, fixed income investments provide an attractive risk-free return. Your Company will seek to take advantage of fixed income investment opportunities while also maintaining a balanced, blue chip equity portfolio



**Mr. Mohammad Hussain Hirji**  
Director & Chief Executive

## مستقبل کا منظر نامہ

آپ کا ادارہ سچری انشورنس کمپنی لمیٹڈ کے مستقبل کے منظر نامے کے بارے میں پُر امید ہے۔ ہمارا ہدف پرمیئم آمدنی کے علاوہ مارکیٹ شیئر کے اعتبار سے بھی آگے بڑھنا ہے۔ ہماری نظریں کمرشل اور ریٹیل شعبوں کی ضروریات پوری کرنے کے لیے انشورنس مصنوعات کی مکمل رینج تیار کرنے پر ہوں گی اور معاشرے کے کم آمدنی والے طبقات کے لیے مائیکرو-انشورنس اور ڈیجیٹل/انٹرنیٹ مصنوعات بھی تیار کریں گے۔

آپ کا ادارہ اپنی فیلڈ فورس کی تربیت اور صلاحیتوں میں اضافہ جاری رکھے گا، بالخصوص کارپوریٹ شعبے کی خدمات کے حوالے سے۔ مزید برآں، ہماری توجہ ڈیجیٹل تقسیم کے نئے چینل تیار کرنے پر ہوگی تاکہ ریٹیل اور مائیکرو انشورنس مارکیٹوں میں مؤثر انداز میں داخل ہو سکیں۔ ہم نئے اور مؤثر تقسیم کاری چینلوں کی تیاری کے لیے بینکوں اور دیگر اداروں کے ساتھ مل کر بھی امکانات تلاش کریں گے۔

حالیہ شرح سود میں ریکارڈ سطح تک اضافہ نے مقررہ آمدنی کی سرمایہ کاری کو خطرات سے پاک پرکشش فراہم کرتی ہے۔ آپ کی کمپنی مقررہ آمدنی میں سرمایہ کاری کے مواقع سے فائدہ اٹھاتے ہوئے یلو چپ ایکویٹی پورٹ فولیو کو برقرار رکھے گی۔

• دوران سال جناب اقبال علی لاکھانی، چیئرمین نے اوپن مارکیٹ سے 280,500 شیئرز خریدے جن کی بروقت اطلاع پاکستان اسٹاک ایکسچینج کو دی گئی:

• اپنے کھاتوں کے حساب سے ریٹائرمنٹ سینفٹ فنڈز میں ان کی سرمایہ کاری کی قدر 31 دسمبر 2023ء کو کچھ یوں ہے

پروویڈنٹ فنڈ: 93.293 ملین روپے  
گریجویٹ فنڈ: 103.398 ملین روپے

## شیئر ہولڈنگ کا نمونہ

31 دسمبر 2023ء کے مطابق شیئر ہولڈنگ کے نمونے اور اضافی معلومات کی نشاندہی کرنے والا ایک گوشوارہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ نے (CCG-2012 کی شق (I) xvi کے تحت ایسے ایگزیکٹو اور ملازمین پر جو سالانہ (02) دو ملین روپے یا اس سے زیادہ بنیادی تنخواہ وصول کر رہے ہیں، ادارے کے شیئرز کی خرید و فروخت کی حد مقرر کر رکھی ہے۔

## بعد ازاں رونما ہوئے واقعات

مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے دوران کوئی ایسی اہم تبدیلیاں اور معاہدات نہیں ہوئے جو ادارے کی مالیاتی حالت پر اثر انداز ہو سکیں۔

Mohammad Hussain Virji

جناب محمد حسین ہیرجی  
ڈائریکٹر و چیف ایگزیکٹو

Shahid Ali

جناب اقبال علی لاکھانی  
چیئرمین

کراچی: 13 مارچ 2024ء

## ضابطہ اخلاق

بورڈ نے تمام ملازمین کے لیے ایک ضابطہ اخلاق اختیار کر رکھا ہے کہ جن کو اس ضابطے سے مطلع رکھا جاتا ہے۔ تمام ملازمین کا سمجھنا ہے کہ انہیں ہمہ وقت اس ضابطہ اخلاق کی پیروی کرنے کی ضرورت ہے۔

## ڈائریکٹر کی ذمہ داریوں کا بیان

ڈائریکٹر بخوشی بیان کرتے ہیں کہ ادارہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے تقاضوں کے مطابق کارپوریٹ گورننس کے ضابطے کے مالیاتی رپورٹنگ ڈھانچے کی پیروی کرتا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ ڈھانچے پر بیانات مندرجہ ذیل ہیں:

- مالیاتی گوشوارے اور ان پر موجود انتظامیہ کے حاشیے انشورنس آرڈیننس 2000ء اور کمپنیز ایکٹ 2017ء کے مطابق ہیں۔ یہ گوشوارے ادارے کے امور کی کیفیت، سرگرمیوں کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔

- ادارہ اپنے اکاؤنٹس کھاتے مناسب انداز میں برقرار رکھتا ہے۔

- ادارے نے مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی موزوں پالیسیوں کی پیروی کی سوائے ان کے جن کا مالیاتی گوشواروں میں اظہار ہے اگر قابل اطلاق ہو۔ اور اس کے اکاؤنٹنگ اندازے معقول اور محتاط اندازوں پر مبنی ہیں۔

- ان مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ ، بین الاقوامی رپورٹنگ کے معیارات اور دیگر ریگولیشن / قانون کی پیروی کی گئی ہے۔

- انٹرئل کنٹرول کا نظام اپنی ساخت میں مستحکم ہے۔ انٹرئل آڈٹ عمل عمل نگرانی کے دیگر طریق ہائے کار کے ذریعے اس نظام کی مستقل نگرانی کی جاتی ہے۔ انٹرئل کنٹرولز کی نگرانی کا عمل ایک مسلسل عمل کے طور پر جاری رہے گا کہ جس کا مقصد کنٹرولز کو مزید مستحکم کرنا اور نظام میں بہتریاں لانا ہے۔

- ادارے کو رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔

- لسٹنگ کے ضوابط میں تفصیل سے موجود کارپوریٹ گورننس کی بہترین روایات سے کوئی پہلو نہیں کی گئی۔

- گزشتہ چھ سال کا اہم کاروباری و مالیاتی ڈیٹامنسک ہے۔

- ٹیکس اور محصولات کی معلومات حاشیوں میں دی گئی ہے اور مالیاتی گوشواروں کا بھی حصہ ہے۔

- لسٹڈ کمپنیز (CCG) ریگولیشن، 19 میں طے شدہ معیارات کے مطابق ادارے کے ڈائریکٹر کی اکثریت نے مجاز اداروں سے ڈائریکٹر ٹریننگ پروگرام مکمل کر لیا ہے اور ادارے کے باقی ڈائریکٹر اسکے مطابق مقررہ اہلیت اور تجربہ رکھتے ہیں۔

ڈائریکٹر کے نام	شرکت کردہ اجلاسوں کی تعداد
جناب اقبال علی لاکھانی (چیئر مین)	5
جناب امین محمد لاکھانی	4
محترمہ انوشکا لاکھانی	3
جناب عتیق انوار محمودی (29 مئی، 2023 سے)	3
جناب جاوید اخلاق (29 مئی، 2023 سے)	3
جناب صدرالدین اسماعیل محمد (29 مئی 2023 تک)	2
جناب اکبر داؤد وزیر (29 مئی، 2023 تک)	2
جناب آفتاب احمد	5
جناب محمد حسین ہیرجی (چیف ایگزیکٹو)	5

## چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ

بورڈ آف ڈائریکٹر نے جناب محمد حسین ہیرجی کے بطور چیف ایگزیکٹو آفیسر کے کنٹریکٹ میں آئندہ تین سال کی توسیع کر دی ہے۔ بورڈ کی ایٹھس، ہیومن ریسورس اینڈ ریونیویشن کمیٹی نے چیف ایگزیکٹو آفیسر کی کارکردگی کو جانچنے کے لیے عملی، مالیاتی اور حکمت عملی پر مبنی مقاصد کا تعین کیا ہے تاکہ سالانہ بنیاد پر اس کا جائزہ لیا جاسکے اور اسے مانیٹر کیا جاسکے۔

## بورڈ کمیٹیاں

سال کے دوران بورڈ آڈٹ کمیٹی کے (04)، انوسٹمنٹ کمیٹی کے (02) اور دی ایٹھس، ہیومن ریسورس اینڈ ریونیویشن کمیٹی کے (02) اجلاس منعقد ہوئے۔ بورڈ کمیٹی کے اراکین کے نام اور ان کے ٹرمز آف ریفرنس رپورٹ کے ضمیمے میں دیے گئے ہیں۔ بورڈ آڈٹ اور ہیومن ریسورس اینڈ ریونیویشن کمیٹیوں کے چیئر مین ایک انڈیپنڈنٹ ڈائریکٹر ہیں۔

## منجمنٹ کمیٹیاں

ادارہ تین انتظامی کمیٹیاں رکھتا ہے جو کاروبار کے مرکزی شعبوں کا احاطہ کرتی ہیں۔ ان کمیٹیوں کے نام، اجلاسوں کی تعداد، اراکین کے نام اور ٹرمز آف ریفرنس اس رپورٹ کے ضمیمے میں دیے گئے ہیں۔

## کارپوریٹ سماجی ذمہ داری

## بورڈ کی تشکیل

دوران سال، ڈائریکٹر کا انتخاب 29 مئی 2023ء کو منعقدہ غیر معمولی اجلاس میں کیا گیا ہے۔ بورڈ درج ذیل تشکیل کے ساتھ 6 حضرات اور 1 خاتون پر مشتمل ہے:

خود مختار ڈائریکٹر	2
نان ایگزیکٹو ڈائریکٹر	4
ایگزیکٹو ڈائریکٹر	1
ڈائریکٹر کی مجموعی تعداد	7

آپ کا ادارہ اپنے رویے کو خود درست رکھنے پر یقین رکھتا ہے تاکہ قانون کی لفظی و معنوی تعمیل اور اعلیٰ ترین اخلاقی معیارات اور انشورنس صنعت کے قواعد دونوں کو یقینی بنایا جائے۔ مزید برآں، آپ کا ادارہ صحت، تعلیم اور ثقافت کے شعبوں میں پسماندہ معاشرے کی بہتری کے لئے کام کرنے والے اداروں کی مدد کر کے جب بھی ممکن ہو حقیقی سماجی حصہ داری کی جدوجہد کرتا ہے۔

آپ کا ادارہ انشورنس ایسوسی ایشن آف پاکستان کی سرگرمیوں اور منصوبوں میں حصہ لے کر انشورنس کے حوالے سے شعور اور فہم اجاگر کرتا ہے۔

## اندرونی مالیاتی کنٹرول

ڈائریکٹر اندرونی مالیاتی کنٹرول سلسلے میں اپنی ذمہ داری سے بخوبی واقف ہیں۔ انتظامیہ اور آڈیٹرز (انٹرنل اور ایکسٹرنل دونوں) کے ساتھ بات چیت کے ذریعے، وہ اس بات کی تصدیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرول نافذ کیے گئے ہیں۔

## قومی خزانے میں حصہ داری

آپ کا ادارہ ٹیکس، لیویز اور فیڈرل ایکسائز ڈیوٹی کی مد میں سرکاری خزانے میں 529.01 ملین روپے ادا کر چکا ہے۔

## بنیادی خطرات اور غیر یقینی صورتحال

کمپنی کو کچھ انہیرنٹ رسک اور غیر یقینی صورتحال کا سامنا ہے۔ تاہم، ہم مندرجہ ذیل کو غیر یقینی صورتحال کے طور پر غور کرتے ہیں:

- سیاسی اور معاشی غیر یقینی صورتحال
- تقسیم کے نئے چینلز
- انفارمیشن ٹیکنالوجی میں ترقی
- انڈورائٹنگ اور کریڈٹ رسک
- ایکویٹی مارکیٹ اور انشورنس ریٹ کا رسک
- سائبر سیکیورٹی رسک
- لیکویڈیٹی اور کیش فلو رسک

مذکورہ بالا کو حل کرنے کے لئے کمپنی اندرونی اور بیرونی اداروں کے ساتھ ملکر کام کرتی ہے۔

## کارپوریٹ گورننس کے ضابطے کی تعمیل

کارپوریٹ گورننس کے ضابطے کی تعمیل کا گوشوارہ رپورٹ کے ساتھ منسلک ہے۔

## ڈائریکٹر کے معاوضہ کی پالیسی

کمپنی ایکٹ 2017 پر عملدرآمد کے تحت اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مطابق کمپنی نے چیئرمین، چیف ایگزیکٹو، نان ایگزیکٹو، ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹر کے سلسلے میں پالیسی وضع کر رکھی ہے۔

بورڈ آف ڈائریکٹر نے بورڈ اور آڈٹ کمیٹی کے اجلاسوں میں نان-ایگزیکٹو ڈائریکٹر کی شرکت کیلئے فیس کی منظوری دے دی ہے۔

کمپنی کے ڈائریکٹر اور چیف ایگزیکٹو کو ادا کیے جانے والے معاوضہ کی تفصیلات مجموعی مالیاتی حسابات میں درج ذیل ہیں۔

(روپے ملین میں)

ڈائریکٹر کے نام	اجلاس کا معاوضہ	فیصلہ معاوضہ	بونس	میڈیکل اخراجات	کل رقم
جناب محمد حسین بہرجی	—	23.88	3.94	1.66	29.5
جناب عتیق انوار محمودی (29 مئی، 2023 سے)	0.33	—	—	—	0.33
جناب جاوید اخلاق (29 مئی، 2023 سے)	0.22	—	—	—	0.22
جناب صدرالدین اسماعیل محمد (29 مئی، 2023 تک)	0.18	—	—	—	0.18
جناب اکبر داؤد وزیر (29 مئی، 2023 تک)	0.08	—	—	—	0.08

## بورڈ آف ڈائریکٹر کے اجلاس

سال کے دوران بورڈ کے پانچ (05) اجلاس ہوئے۔ ہر ڈائریکٹر کی اجلاسوں میں حاضری کچھ یوں رہی:

# ڈائریکٹرز کی رپورٹ

## آمدنی فی حصص

آپ کے ادارے نے 496.9 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جو گزشتہ سال کے 5.66 روپے کے مقابلے میں اس سال 8.98 روپے فی حصص آمدنی بنتی ہے۔

سجری انشورنس کمپنی لمیٹڈ (ادارے) کے ڈائریکٹرز 31 دسمبر 2023ء کو مکمل ہونے والے سال کے لیے سالانہ آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز کی رپورٹ پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

## منافع کی تخصیص

31 دسمبر 2023ء کو ختم ہونے والے سال کے لیے منافع کی تخصیص کچھ یوں ہے:

روپے

1,281,393,880

گزشتہ سالوں سے آگے منتقل ہونے والی رقم

517,921,198

کل مجموعی آمدنی برائے سال

1,799,315,078

تخصیص کے لیے دستیاب رقم

تخصیص:

بجوزہ حتیٰ کیش ڈیویڈنڈ 45% @ جو کہ فی حصص 4.50 روپے (2022: 25%)

جو کہ 2.50 روپے فی حصص

آگے منتقل کی گئی غیر تخصیص شدہ رقم

(248,969,178)

1,550,345,900

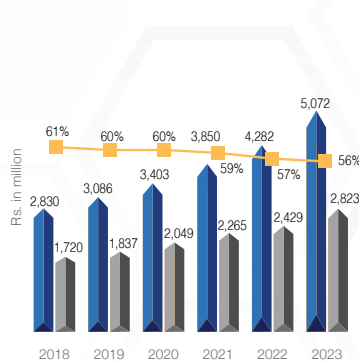
## آڈیٹرز

ممیسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر رہنما ہو جائیں گے۔ اہلیت کی بنیاد پر انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے۔

آڈٹ فرم نے تصدیق کی ہے کہ اسے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت ایک تسلی بخش درجہ بندی دے چکا ہے اور ادارہ ICAP کے قبول کردہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق کو مکمل تعمیل کرتی ہے۔

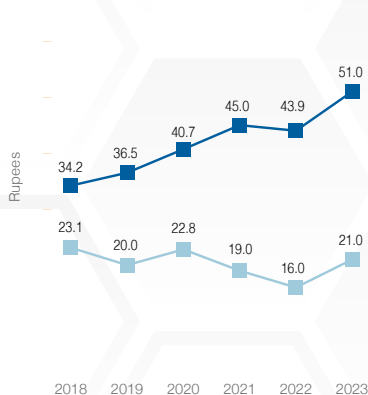
Equity and Total Assets

■ Total Assets ■ Equity  
— (Equity % of Total Assets)



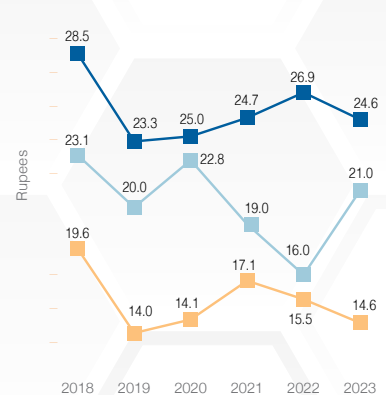
Break-up and Market Value per Share

■ Break-up Value ■ Market Value



Share's Market Trend

■ High ■ Low ■ Closing



# Board Committees

## AUDIT COMMITTEE

### Terms of Reference:

1. Determination of appropriate measure to safeguard the company's assets;
2. Review of preliminary announcements of results prior to external communication and publication;
3. Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
  - a. Major judgmental areas;
  - b. Areas of major concerns;
  - c. Significant adjustments resulting from the audit;
  - d. Going-concern assumption;
  - e. Any changes in accounting policies and practices;
  - f. Compliance with listing regulations, other statutory and regulatory requirements;
  - g. Compliance with applicable accounting standards;
  - h. Compliance with these Regulations and other statutory and regulatory requirements; and
  - i. All related party transactions.
4. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audit and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
5. Review of management letter issued by external auditor and management's response thereto;
6. Ensuring coordination between the internal and external auditor of the Company;
7. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
8. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
9. Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
10. Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
11. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
12. Determination of compliance with relevant statutory requirements;
13. Monitoring compliance with the best practices of corporate governance, listing regulations and identification of significant violations thereof;
14. Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
15. Recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;
16. Consideration of any other issue or matter as may be assigned by the Board.

The Committee comprises of three members, including chairman of committee, two of them are non-executive directors and one is an independent director. Chairman of the committee is an independent director. During the year four meeting of this committee were held and the attendance of meeting is as follows:

Name of Members	Meeting attended
Mr. Atiq Anwar Mahumdi - Chairman (from June 08, 2023)	2
Mr. Sadrudin Ismail Mohamed (up to June 08, 2023)	2
Mr. Amin Mohammed Lakhani	3
Mr. Aftab Ahmad	4

## ETHICS, HUMAN RESOURCE & REMUNERATION COMMITTEE

### Terms of Reference:

1. Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the Chief Executive Officer level;
2. Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging an external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing the consultant's name, qualifications and major terms of appointment;
3. Recommending Human Resource Management policies to the board.
4. Recommending to the Board the selection evaluation and development, compensation (including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary, Compliance Officer and Head of Internal Audit;
5. Consideration and approval on recommendations of the Chief Executive Officer related to key management positions who report directly to Chief Executive Officer or Chief Operating Officer;
6. Proposing a remuneration framework that takes into account performance evaluations, market considerations and compensation structure.
7. This framework will be reviewed and approved on an annual basis prior to the convening of the annual general meeting for the immediate preceding year.
8. Reviewing and making recommendations to the Board of Directors regarding the specific remuneration of the Board members, the Chief Executive Officer, Chief Financial Officer, Company Secretary, Compliance Officer and Head of Internal Audit.
9. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company; and
10. Any additional responsibility may be assigned to the Committee by the Board.

The Committee comprises of three members, including chairman of committee. One member is non-executive director and two are independent directors. Chairman of Committee is an independent director. During the year two meeting of this committee was held and the attendance of meeting is as follows:

Name of Members	Meeting attended
Mr. Jawed Akhlaq - Chairman (from June 08, 2023)	2
Mr. Sadrudin Ismail Mohamed (up to June 08, 2023)	-
Mr. Amin Mohammed Lakhani	2
Mr. Mohammad Hussain Hirji	2
Mr. Akber Dawood Vazir (up to June 08, 2023)	-

## INVESTMENT COMMITTEE

### Terms of Reference:

1. Review the investment policies and strategies of the Company to ensure they are consistent with the goals and objectives of the Company.
2. Determine that investment constraints are consistently followed and that procedures are in place to ensure that the investment portfolio is managed in compliance with the investment policy.
3. Review the performance of the investment portfolios of the Company and make periodic reports to the Board.
4. Review and approve the annual investment plan and budget.
5. Annually review and reassess the overall investment policy and recommend any proposed changes to the Board for approval.

The Committee comprises of four members, including chairman of committee. Two members including chairman are non-executive directors. During the year four meetings of this committee was held and the attendance of meeting is as follows:

Name of Members	Meeting attended
Mr. Iqbal Ali Lakhani - Chairman	2
Mr. Mohammad Hussain Hirji	2
Mr. Aftab Ahmad	2
Mr. Sabza Ali Pirani	2

# Management Committees

## UNDERWRITING, REINSURANCE & COINSURANCE COMMITTEE

### Terms of Reference:

1. To review the rates and profitability of the various business sectors for each class of underwriting;
2. To review the reinsurance structure and arrangements for each class of business to ensure that the company's net exposure is within agreed limits for individual risks and also on a cumulative basis in the event of a catastrophic occurrence;
3. To review and approve underwriting proposals for high risk and complex covers;
4. To review policy terms and rating for new insurance products.

The Committee comprises of four members, including the Chairman of this committee who is an executive director.

### Name of Members

Mr. Mohammad Hussain Hirji - Chairman
Mr. Aseem Ahmed
Ms. Madiha Khalid (up to December 21, 2023)
Mr. Ali Asghar

## CLAIM SETTLEMENT COMMITTEE

### Terms of Reference:

1. To review and approve claim settling policy of the company;
2. To review and approve the adequacy of claim reserves;
3. To assist in resolution of disputed claims of material amount and recommend settlement strategy;
4. To oversee the implementation of the measures for combating fraudulent claims.

The Committee comprises of three members, including the Chairman of this committee who is an executive director.

### Name of Members

Mr. Mohammad Hussain Hirji - Chairman
Mr. Hassan Siddiqui
Mr. Sabza Ali Pirani

## RISK MANAGEMENT & COMPLIANCE COMMITTEE

### Terms of Reference:

1. The Committee shall review and identify all possible risks faced by the Company under various categories such as; operational, financial, IT systems, physical or catastrophic, etc. and make appropriate recommendations for the mitigation of these risks to the Board;
2. To identify the risks faced by the company in respect of compliance with the laws applicable to it and to setup adequate controls to mitigate the identified risks;
3. To supervise and monitor matters reported using Company's whistle-blowing or other confidential mechanisms for employees and other to report compliance concerns, potential breaches, violations or fraud; and
4. Appropriate extent of disclosure of company's risk framework and internal control system in Directors report.

The Committee comprises of five members, including the Chairman of this committee who is an executive director

### Name of Members

Mr. Mohammad Hussain Hirji - Chairman
Mr. Ali Asghar
Mr. Sabza Ali Pirani
Mr. Asif Mehmood
Mr. Abdul Rasheed

# Pattern of Shareholding

As at December 31, 2023

Incorporation No.K-192/8927 1985-86  
CUIN Registration No.0013587

No. of Shareholders	Shareholding From	To	Total Shares Held
401	1	100	5,799
153	101	500	42,173
132	501	1,000	91,362
245	1,001	5,000	597,928
87	5,001	10,000	607,838
31	10,001	15,000	373,481
10	15,001	20,000	165,763
13	20,001	25,000	291,641
6	25,001	30,000	165,789
7	30,001	35,000	231,001
5	35,001	40,000	180,689
3	40,001	45,000	130,800
2	45,001	50,000	98,901
2	50,001	55,000	105,570
1	55,001	60,000	57,362
5	60,001	65,000	305,158
1	65,001	70,000	66,550
1	70,001	75,000	70,941
4	75,001	80,000	310,630
1	85,001	90,000	85,340
2	90,001	95,000	185,403
1	95,001	100,000	95,603
1	145,001	150,000	147,550
1	185,001	190,000	189,092
1	190,001	195,000	191,876
1	200,001	205,000	203,500
1	265,001	270,000	269,000
1	280,001	285,000	282,500
1	335,001	340,000	337,000
1	465,001	470,000	465,914
1	515,001	520,000	516,180
1	740,001	745,000	743,450
1	765,001	770,000	770,000
1	1,385,001	1,390,000	1,388,475
1	3,130,001	3,135,000	3,132,000
1	5,490,001	5,495,000	5,492,413
1	7,870,001	7,875,000	7,873,097
1	13,035,001	13,040,000	13,037,355
1	16,020,001	16,025,000	16,021,360
<b>1,130</b>	<b>Total</b>		<b>55,326,484</b>

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive, their spouse and minor children	289,155	0.52
Associated Companies, undertakings and related parties	42,430,360	76.69
NIT and ICP	NIL	-
Banks, Development Financial Institutions, Non-Banking Financial Institutions	1,388,475	2.51
Insurance Companies	NIL	-
Modaraba & Mutual Funds	465,914	0.84
Shareholders holding 10% or more	36,931,812	66.75
General Public	6,513,271	11.77
Others	4,239,309	7.67

NOTE: Some of the shareholders are reflected in more than one category.

# Details of Pattern of Shareholding

As per requirement of code of corporate governance as at December 31, 2023

Categories of Shareholders		No. of Shares held
<b>i) ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</b>		
1. M/s. SIZA (Pvt.) Limited		7,873,097
2. M/s. SIZA Services (Pvt.) Limited		13,037,355
3. M/s. SIZA Commodities (Pvt.) Limited		5,492,413
4. M/s. Premier Fashions (Pvt.) Limited		16,021,360
5. Mr. Sultan Ali Lakhani		653
6. Mrs. Shaista Sultan Ali Lakhani		435
7. Mrs. Fatima Lakhani		217
8. Mr. Babar Ali Lakhani		1,887
9. Mr. Bilal Ali Lakhani		617
10. Mr. Danish Ali Lakhani		1,598
11. Ms. Anika Amin Lakhani		728
<b>ii) MUTUAL FUND</b>		
1. CDC – Trustee Golden Arrow Selected Stock Fund		465,914
<b>iii) DIRECTORS, CHIEF EXECUTIVE, THEIR SPOUSE AND MINOR CHILDREN</b>		
1. Mr. Iqbal Ali Lakhani	Chairman/Director	282,520
2. Mr. Amin Mohammed Lakhani	Director	1,941
3. Ms. Anushka Lakhani	Director	1,773
4. Mr. Aftab Ahmad	Director	550
5. Mr. Mohammad Hussain Hirji	Director/Chief Executive Officer	605
6. Mr. Jawed Akhlaq	Director	500
7. Mr. Atiq Anwar Mahmudi	Director	500
8. Mrs. Ronak Iqbal Lakhani W/o. Mr. Iqbal Ali Lakhani		435
9. Mrs. Saira Amin Lakhani W/o. Mr. Amin Mohammed Lakhani		331
<b>iv) EXECUTIVES</b>		24,805
<b>v) PUBLIC SECTOR COMPANIES AND CORPORATIONS</b>		26,801
<b>vi) BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS</b>		1,388,475
<b>vii) SHAREHOLDERS HOLDING 5% OR MORE</b>		
M/s. Khadija & Kassamali Resources (Pvt) Limited (Other than those reported at (i) (1, 2, 3 & 4)		3,132,000
<b>viii) INDIVIDUAL AND OTHER THAN THOSE MENTIONED ABOVE</b>		10,700,974
		<b>55,326,484</b>

# Key Operating and Financial Data

(Rupees in million)

## FINANCIAL DATA

	2023	2022	2021	2020	2019	2018	2017
Ordinary share capital	553.3	553.3	503.0	503.0	503.0	503.0	503.0
Share premium	254.0	254.0	254.0	254.0	254.0	254.0	254.0
Reserves & Unappropriated profit	2,015.8	1,621.7	1,508.0	1,292.1	1,079.7	963.4	973.6
Equity	2,823.1	2,429.0	2,265.0	2,049.1	1,836.7	1,720.4	1,730.6
Property & equipment	100.9	121.8	125.6	121.2	130.0	72.3	65.6
Intangible assets	0.7	0.8	-	-	0.01	0.03	0.47
Underwriting Provisions	1,267.5	1,185.5	990.6	828.2	740.8	671.2	587.1
Investments	2,867.0	2,243.3	1,868.5	1,728.8	1,696.8	1,404.2	1,519.1
Cash and bank deposits	436.3	426.5	725.5	454.4	267.0	440.4	116.8
Total Assets	5,072.2	4,282.4	3,850.5	3,402.8	3,086.2	2,829.7	2,735.6

## OPERATING DATA

Gross Premium	1,969.1	1,847.2	1,601.3	1,371.2	1,314.6	1,185.6	1,049.7
Net insurance premium	1,197.2	1,072.4	897.6	846.1	779.7	690.3	593.1
Net insurance claims	618.5	561.5	449.7	360.2	362.7	288.2	247.0
Underwriting Profit	251.9	221.0	207.3	193.9	135.2	129.7	85.5
Profit from Takaful Operations - Operator's Fund	60.5	35.0	18.6	10.5	9.5	7.4	(1.2)
Investment & Other Income	536.4	255.7	181.8	155.4	70.9	(21.7)	157.9
Profit Before Tax (PBT)	830.1	495.2	389.6	342.4	199.7	105.0	233.6
Income tax expense	333.2	181.8	112.1	99.8	54.5	33.7	93.6
Profit After Tax (PAT)	496.9	313.4	277.5	242.6	145.2	71.3	140.0

## CASH FLOW SUMMARY

Operating Activities	269.7	1.8	300.8	139.9	88.0	108.9	(69.3)
Investing Activities	(99.6)	(169.8)	89.0	151.0	(198.3)	302.0	157.1
Financing Activities	(159.4)	(130.9)	(118.7)	(103.8)	(63.0)	(87.3)	(79.6)
Cash & Cash Equivalents at the year end	436.1	425.5	724.5	453.4	266.2	439.6	116.0

## FINANCIAL RATIOS

### Profitability

Profit Before Tax / Net Insurance Premium	(%)	69.3	46.2	43.4	40.5	25.6	15.2	39.4
Profit After Tax / Net Insurance Premium	(%)	41.5	29.2	30.9	28.7	18.6	10.3	23.6
Underwriting Results / Net Insurance Premium	(%)	21.0	20.6	23.1	22.9	17.3	18.8	14.4
Total Expenses / Gross Premium	(%)	22.0	22.0	21.2	25.5	23.6	24.8	27.9
Total Expenses / Net Insurance Premium	(%)	36.1	37.9	37.8	41.4	39.8	42.6	49.3
Net Claims / Net Insurance Premium	(%)	51.7	52.4	50.1	42.6	46.5	41.7	41.6
Combined Ratio	(%)	77.8	79.1	77.6	78.6	84.3	82.0	87.4

### Return to Shareholders

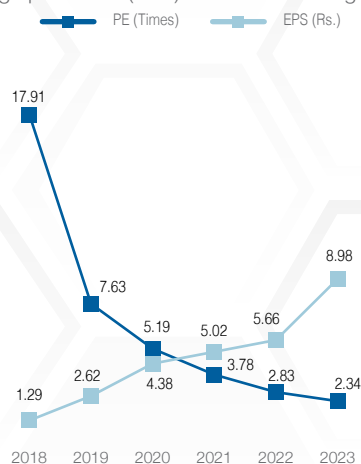
Return on Equity	(%)	17.6	12.9	12.3	11.8	7.9	4.1	8.1
Return on Assets	(%)	9.8	7.3	7.2	7.1	4.7	2.5	5.1
Return on Investment	(%)	18.0	9.7	7.6	7.5	3.7	(1.2)	8.4
Earnings per Share - restated	(Rs.)	8.98	5.66	5.02	4.38	2.62	1.29	2.53
Dividend	(%)	45.0	25.0	22.5	20.0	17.5	12.5	17.5
Dividend Yield	(%)	21.3	15.6	11.8	8.8	8.8	5.4	6.4
Dividend Payout	(%)	50.1	44.2	44.8	45.7	66.8	96.9	69.2
Bonus Share	(%)	-	-	10.0	-	-	-	-
Price Earning Ratio	(Times)	2.3	2.8	3.8	5.2	7.6	17.9	10.8
Market Price per Share (at Dec 31)	(Rs.)	21.09	16.01	19.00	22.75	20.00	23.10	27.30

### Liquidity / Leverage

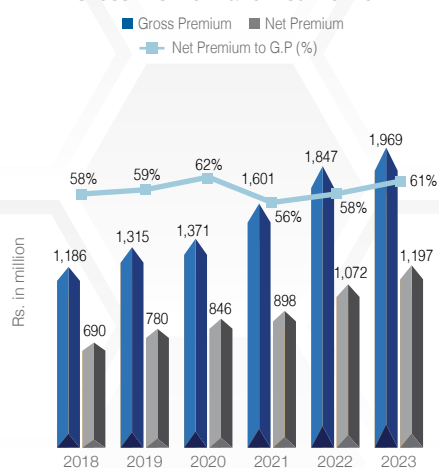
Break-up Value per Share	(Rs.)	51.0	43.9	45.0	40.7	36.5	34.2	34.4
Current Ratio	(Times)	2.5	3.1	3.4	3.5	3.6	4.0	4.3
Total Assets Turnover Ratio	(Times)	0.39	0.43	0.42	0.40	0.43	0.42	0.38
Total Liabilities / Equity	(Times)	0.80	0.76	0.70	0.66	0.68	0.64	0.58
Paid-up Capital / Total Assets	(%)	10.9	12.9	13.1	14.8	16.3	17.8	18.4
Equity / Total Assets	(%)	55.7	56.7	58.8	60.2	59.5	60.8	63.3

# Graphical Presentation

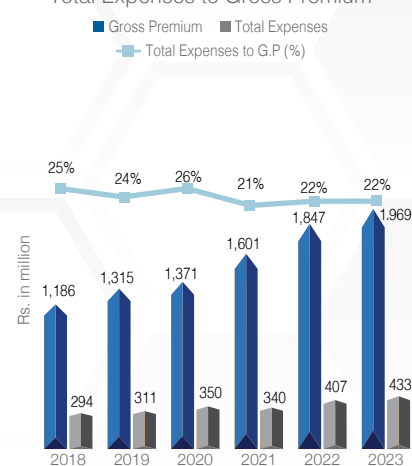
Earnings per Share (EPS) and Price Earning (PE) Ratio



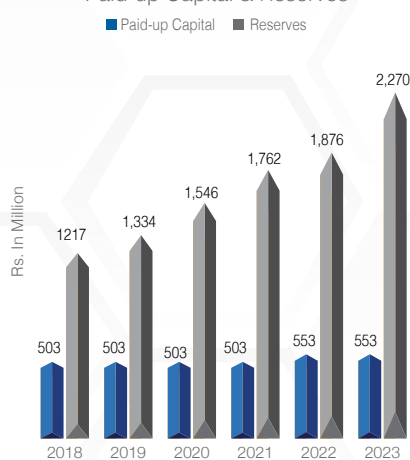
Gross Premium and Net Premium



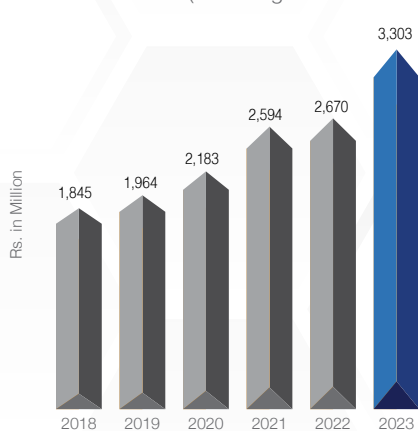
Total Expenses to Gross Premium



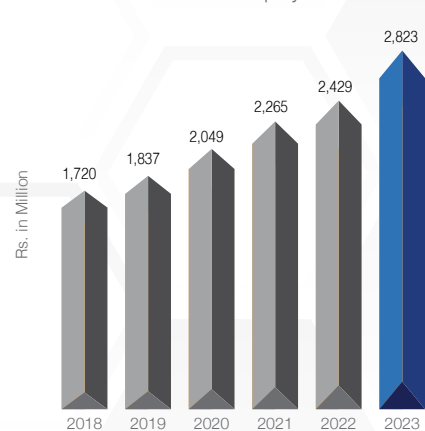
Paid-up Capital & Reserves



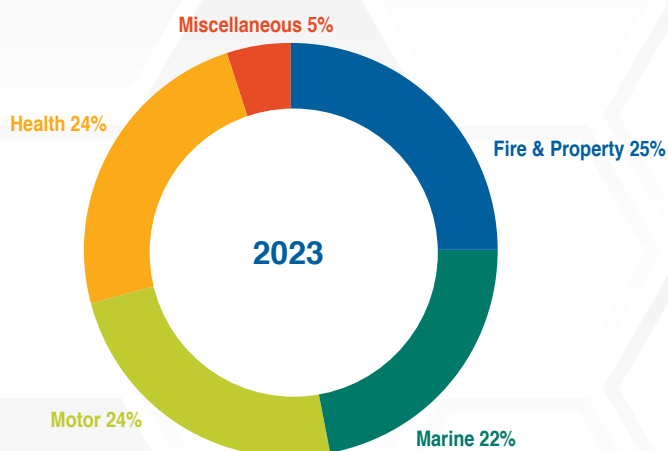
Investments (Including cash and bank)



Total Equity



Gross Premium (Class wise)



# Statement of Value Addition

(Rupees in '000)

## WEALTH GENERATED

Net premium (including FED & FIF)  
Commission income  
Investment income  
Other income

2023

2022

1,426,792

1,283,056

87,072

100,119

449,940

182,150

86,505

73,556

2,050,310

1,638,881

Less: Claims and expenses (excluding employee remuneration,  
depreciation and donation)

(730,409)

(677,922)

Profit from Window Takaful Operations (Operator's fund)

60,517

35,043

1,380,418

996,002

## WEALTH DISTRIBUTED

### To Employees

288,437

256,959

### To Government:

Company taxation

Levies (including FED & FIF)

333,206

181,828

229,638

210,688

562,845

392,515

### To Society:

Donation

150

500

150

500

### To Shareholders:

Cash dividend \*

248,969

138,316

248,969

138,316

### Retained in Business:

Depreciation and amortisation

Net earnings

32,117

32,674

247,899

175,037

280,017

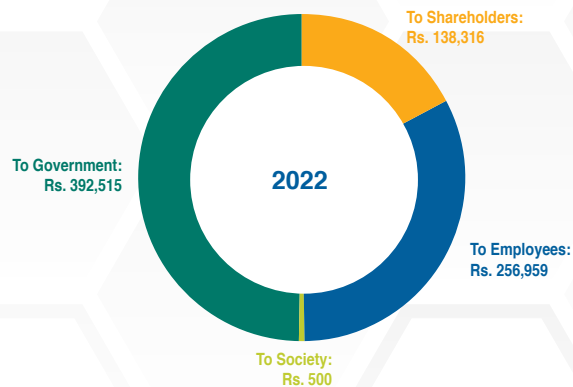
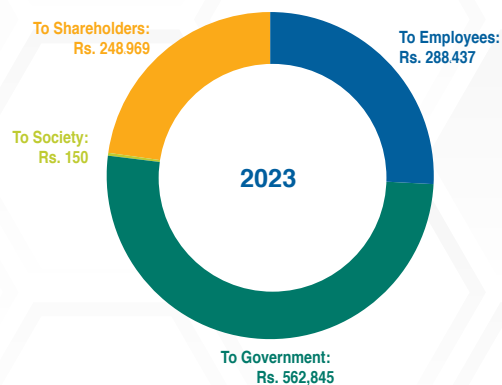
207,711

1,380,418

996,002

\* Includes cash dividend amounting to Rs. 248.969 million (2022: Rs. 138.316 million) proposed by the Board of Directors subsequent to the year end.

## Distribution of Wealth



# Statement of Compliance with the Code of Corporate Governance

## for Insurers, 2016 & Listed Companies (Code Of Corporate Governance) Regulations, 2019

**Name of Insurer:** Century Insurance Company Limited  
("the Company")

**Year Ended:** December 31, 2023

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

The Company has applied the principles contained in the Code and the Regulations in the following manner:

1. The total number of directors are seven (7), as per the following:
  - a) Male: 6
  - b) Female: 1
2. The Company ensures representation of independent non-executive directors and facilitates directors representing minority interests on its Board of Directors (the Board). During the year director were elected in extra ordinary General meeting held on May 29, 2023. At present the Board includes:

Category	Names
Independent Directors	Mr. Atiq Anwar Mahumdi
Executive Director	Mr. Jawed Akhlaq Mr. Mohammad Hussain Hirji
Non-Executive Directors	Mr. Iqbal Ali Lakhani Mr. Amin Mohammed Lakhani Ms. Anushka Lakhani Mr. Aftab Ahmad
Female Director	Ms. Anushka Lakhani

The independent director meets the criteria of independence as laid down under the Code, Regulations and Companies Act, 2017.

Regulation 6: The Board of the Company comprises of seven elected Directors and one-third works out to be 2.33. Presently, two (2) independent Directors were elected by the shareholders in terms of Section 166 of the Companies Act, 2017, which have requisite competencies, skills, knowledge, and experience to

discharge and execute their duties competently as per laws and regulations to fulfill the requirements therefore the company does not consider it necessary to appoint third Independent Director.

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
4. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a development financial institution or a non-banking financial institution or, being a member of a stock exchange, has been declared as a defaulter by a stock exchange.
5. No casual vacancy occurred on the Board during the year.
6. The Company has prepared a "Code of Conduct" which has been disseminated among all directors and employees of Company along with its supporting policies and procedures.
7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of 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, other executive directors and the key officers, have been taken by the Board. Decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
9. The meetings of the Board were presided over by the Chairman and, in absence, by a Director elected by the Board for this purpose 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 meetings. The minutes of the meetings were appropriately recorded and circulated.

10. The Board has a formal policy and transparent procedure for remuneration of directors in accordance with the Act and these Regulations.
11. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company includes all the necessary aspects of internal control given in the Code.
12. While almost all the directors are professionals and senior executives who possess wide experience of duties of directors, the Company apprises its directors of new laws and regulations and amendments in the existing ones. The Board has not arranged Directors' training program during the year ended December 31, 2023 as four directors have already attended the Directors' training course in previous years. Two directors possess the minimum qualification and experience criteria for exemption of DTP as stipulated in the Code of Corporate Governance (the Code).
13. There was no new appointment of Chief Financial Officer (CFO) or Company Secretary or Head of Internal Audit during the year. The Board has however, approved the remuneration of CFO and the Head of Internal Audit on the recommendation of Ethics, Human Resource & Remuneration Committee as determined by Chief Executive Officer. Mr. Mansoor Ahmed was assigned the responsibilities of the Company Secretary of Century Insurance Company Limited in addition to his responsibilities in other Group Companies.
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 that disclosed in the pattern of shareholding.
17. The Company has complied with all the corporate and financial reporting requirements of the Code.
18. The Board has formed the following Management Committees:
- a) Underwriting, Reinsurance and Co-insurance Committee
- | Name of Member                                 | Category                      |
|--|-------------------------------|
| Mr. Mohammad Hussain Hirji                     | Chairman - Executive Director |
| Mr. Aseem Ahmed                                | Member                        |
| Ms. Madiha Khalid<br>(up to December 21, 2023) | Member                        |
| Mr. Ali Asghar                                 | Member                        |
- b) Claim Settlement Committee
- | Name of Member             | Category                      |
|----------------------------|-------------------------------|
| Mr. Mohammad Hussain Hirji | Chairman - Executive Director |
| Mr. Hassan Siddiqui        | Member                        |
| Mr. Sabza Ali Pirani       | Member                        |
- c) Risk Management & Compliance Committee
- | Name of Member             | Category                      |
|----------------------------|-------------------------------|
| Mr. Mohammad Hussain Hirji | Chairman - Executive Director |
| Mr. Ali Asghar             | Member                        |
| Mr. Sabza Ali Pirani       | Member                        |
| Mr. Asif Mehmood           | Member                        |
| Mr. Abdul Rasheed          | Member                        |
19. The Board has formed the following Board Committees comprising of members given below;
- a) Ethics, Human Resource & Remuneration Committee
- | Name of Member                                       | Category                        |
|--|---------------------------------|
| Mr. Jawed Akhlaq                                     | Chairman - Independent Director |
| Mr. Sadrudin Ismail Mohamed<br>(up to June 08, 2023) | Chairman - Independent Director |
| Mr. Amin Mohammed Lakhani                            | Member - Non-Executive Director |
| Mr. Mohammad Hussain Hirji                           | Member - Executive Director     |
| Mr. Akber Dawood Vazir<br>(up to June 08, 2023)      | Member - Independent Director   |

b) Investment Committee

Name of Member	Category
Mr. Iqbal Ali Lakhani	Chairman – Non-Executive Director
Mr. Mohammad Hussain Hirji	Member – Executive Director
Mr. Aftab Ahmad	Member – Non-Executive Director
Mr. Sabza Ali Pirani	Member

The functions of the Nomination committee are being performed by the board.

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

Name of Member	Category
Mr. Atiq Anwar Mahumdi Mohamed	Chairman – Independent Director
Mr. Sadrudin Ismail Mohamed (up to June 08, 2023)	Chairman – Independent Director
Mr. Amin Mohammed Lakhani	Member – Non-Executive Director
Mr. Aftab Ahmad	Member – Non-Executive Director

21. The terms of references of the Committees have been formed and advice to the Committees for compliance. The frequency of meetings of the Committees as follows.

Name of Committees	Frequency of Meeting
Ethics, Human Resource & Remuneration Committee	Twice a year
Investment Committee	Twice a year
Audit Committee	Quarterly
Underwriting, Reinsurance and Co-insurance Committee	Quarterly
Claim Settlement Committee	Quarterly
Risk Management & Compliance Committee	Quarterly

22. The Board has set up an effective internal audit function comprising of personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
23. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under this Code. Moreover, the persons heading the underwriting, claims, reinsurance, risk management and grievance functions possess qualification and experience of direct relevance to their functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000:

Name of person	Designation
Mr. Mohammad Hussain Hirji	Chief Executive Officer
Mr. Sabza Ali Pirani	Chief Financial Officer
Mr. Asif Mehmood	Compliance Officer (Incl. Grievance)
Mr. Mansoor Ahmed	Company Secretary
Mr. Muhammad Rao Shahid Mobeen	Head of Internal Audit
Mr. Aseem Ahmed	Head of Marking & Sales
Mr. Abdul Rehman	Head of Window Takaful Operations
Mr. Rehan Fasih (up to July 20, 2023)	Head of Marine Underwriting
Mr. Ali Asghar	Head of Marine Underwriting Incl. Risk Management)
Mr. Ali Asghar (up to July 20, 2023)	Head of Fire Underwriting (Incl. Risk Management)
Mr. Hamza Siddique (from July 21, 2023)	Head of Fire Underwriting
Mr. Abid Raza Isphani	Head of Accident and Health Underwriting
Mr. Syed Muhammad Nasim Ahmed	Head of Motor Underwriting
Mr. Hassan Siddiqui	Head of Claims
Ms. Madiha Khalid (up to December 21, 2023)	Head of Reinsurance

24. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000.
25. 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 and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.
26. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulation, or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
27. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provision of the Code.

28. The Board ensure that the risk management system of the Company is in place as per Code.
29. The Company has set up a risk management function, which carries out its tasks as covered under the Code.
30. The Board ensures that as part of the risk management system, the Company gets itself rated from VIS Credit Rating Company Limited which is being used by its risk management function and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency on December 27, 2023 is AA with stable outlook.
31. The Board has set up a grievance department/ function, which fully complies with the requirements of the Code.
32. The Company has not obtained any exemption(s) from the Securities and Exchange Commission of Pakistan (SECP) in respect of the requirements of the Code.
33. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulation and all material requirement of Code have been complied with.



**Iqbal Ali Lakhani**  
Chairman

Karachi: March 13, 2024



**Mohammad Hussain Hirji**  
Director & Chief Executive

# Independent Auditor's Review Report

To the members of Century Insurance Company Limited on the Statement of Compliance contained in the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'the Regulations') prepared by the Board of Directors of **Century Insurance Company Limited** ('the Company') for the year ended **December 31, 2023** in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision lxxvi of the Code of Corporate Governance for Insurers, 2016.

The responsibility for compliance with the Code and 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 Code and the Regulations, and report if it does not and to highlight any non-compliance with the requirements of the Code and 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 Code and 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 Code and Regulations as applicable to the Company for the year ended December 31, 2023.

**KARACHI**

**DATED: March 13, 2024**

**UDIN: CR202310166d7s8fFunP**



**BDO EBRAHIM & CO.**

**CHARTERED ACCOUNTANTS**

**Engagement Partner: Tariq Feroz Khan**

# Shariah Reveiw Report to the Board of Directors

for the year ended December 31, 2023

الحمد لله رب العالمين والصلاة والسلام على سيد الانبياء والمرسلين محمد النبي الامي  
وعلى آله وصحبه اجمعين، وبعد

I have completed a comprehensive examination and thorough review of the principles, policies, contracts, and corresponding financial statements of **Century Insurance Company Limited - Window Takaful Operations** (referred to as the "Takaful Operator") for the period ended on December 31, 2023. My objective was to assess whether the company adhered to Shariah principles and complied with the rulings, decisions, and guidelines issued by the undersigned.

The Takaful Operator bears the responsibility of ensuring compliance with the rules, principles, and guidelines established by the Shariah Advisor, as well as obtaining approval for all policies and services offered. In my role as a Shariah Advisor, I am tasked with ensuring that the financial arrangements, contracts, and transactions conducted by the Takaful Operator with its participants and stakeholders align with Shariah rules and principles.

Throughout the year, the Shariah Advisor visited the premises to offer guidance on Shariah compliance in business activities. Various issues were raised for consultation with the Shariah Advisor, and the solutions provided were promptly implemented. As a result, the level of Shariah compliance at the Takaful Operator is deemed satisfactory based on these efforts.

In formulating the opinion presented in this report, I have thoroughly examined all aspects of Window Takaful Operation's business affairs. Based on the information and explanations provided to me, I am of the opinion, and to the best of my understanding, that:

- i. The financial transactions, along with the relevant documentation and procedures conducted by the Company for the year ended on December 31, 2023, were in line with the Shariah guidelines issued and the stipulations outlined in the Takaful Rules 2012.
- ii. The Shariah screening criteria have been diligently fulfilled across all types of investment and financial transactions.
- iii. No amount has been identified as non-Shariah compliant income that requires crediting to the relevant charity account.
- iv. As a result, it is my finding that the Window Takaful Operation has not contravened Shariah principles in any of its transactions.
- v. The Takaful Operator fulfilled its obligations by adhering to Shariah guidelines. Cases necessitating consultation in line with Shariah rules and market practices were discussed and appropriately resolved.

"And Allah Knows Best"



**Mufti Muhammad Shakir Siddiqui**  
Shariah Advisor

Dated: March 13, 2024

# Statement of Compliance with the Shariah Principles

The financial arrangements, contracts and transactions, entered into by **Century Insurance Company Limited – Window Takaful Operations** (the Operator) for the year ended December 31, 2023 are in compliance with the Takaful Rules, 2012 and the Shariah Rules and Principles as determined by the Shariah Advisor of the Operator, (Shariah Rules and Principles).

Further we confirmed that:

- The Operator has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shariah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors have been implemented;
- The Operator has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisor / Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;
- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transactions, entered into by Window Takaful Operations are in accordance with the 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 Shariah Advisor of the Operator.



**Mohammad Hussain Hirji**  
(Director & Chief Executive)

Dated: March 13, 2024

# Independent Reasonable Assurance Report

## to the Board of Directors on the Statement of Management's Assessment of Compliance with the Takaful Rules, 2012

### Scope

We have been engaged by **Century Insurance Company Limited** (the Operator) to perform a 'reasonable assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the Engagement, to report on the management's assessment of compliance of the Window Takaful Operations (Takaful Operations) of the Operator, as set out in the annexed Statement of Compliance (the Statement) prepared by the management for the year ended December 31, 2023 (the "Report").

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

### Criteria applied by the management

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

### The Management's responsibilities

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

### BDO's responsibilities

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

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with the Operator on July 14, 2023. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the subject matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

## Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1 “Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Description of procedures performed

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

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



absolute assurance that the objective of compliance with the Takaful Rules, 2012 will be met. Further, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

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

### Opinion

In our opinion, the Statement of Compliance of the Takaful Operations of the Operator as of December 31, 2023 is presented, in all material respects, in accordance with Takaful Rules, 2012.

KARACHI

DATED: March 13, 2024

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Engagement Partner: Tariq Feroz Khan

The background of the slide is a blurred photograph of a city skyline, likely New York City, with various skyscrapers and buildings. In the bottom right corner, the corner of a silver laptop is visible, resting on a grey surface. The top half of the slide is covered by a dark blue horizontal band.

# Financial Statements



# Independent Auditor's Report

## To the members of Century Insurance Company Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **CENTURY INSURANCE COMPANY LIMITED**, (the Company), which comprise the statement of financial position as at December 31, 2023, and profit and loss account, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policies information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2023 and of its profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

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

Following are the key audit matters:

Sr No.	Key audit matters	How the matter was addressed in our audit
1	<b>Revenue Recognition – Premium Earned</b>	
	<p>Refer the financial statements relating to revenue recognition policy and net insurance premium respectively.</p> <p>The Company earns revenue primarily from Premium income, which amounts to Rs. 1,197.15 million (2022: 1,072.37 million) representing 11.63% increase. This income stream comprises of five segments: (i) Fire and property damage, (ii) Marine, aviation and transport, (iii) Motor, (iv) Miscellaneous, (v) Health.</p> <p>We have identified revenue recognition from premium income as a key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period.</p>	<p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of, evaluated the design and tested the controls over the process of policy-writing, processing and recording of premium;</li> <li>• Assessed the appropriateness of the Company's accounting policy for recording of premium and in line with the requirements of applicable law, accounting and reporting standards;</li> <li>• Traced the premium recorded on sample basis from the underlying policies issued to insurance contract holders and applying substantive analytical procedures to corroborate with economic environment and usual policy-writing patterns;</li> <li>• Tested the policies on sample basis where policies were written close to year end and subsequent to year end, and evaluated that these were recorded in the appropriate accounting period; and</li> <li>• Recalculated the unearned portion of premium income and ensured that appropriate amount has been recorded as provision for unearned premium in liabilities</li> </ul>

Sr No.	Key audit matters	How the matter was addressed in our audit
2	<b>Valuation of outstanding claims including claims incurred but not reported (IBNR)</b>	
	<p>As disclosed in note 26 to these financial statements, outstanding claims including IBNR amounting to Rs. 397 million as at December 31, 2023.</p> <p>The outstanding claims including IBNR represented 17.68% of the Company's total liabilities.</p> <p>We focused on this area because the valuation of outstanding claims including IBNR are significant in magnitude and requires use of judgement and estimates. Outstanding claims including IBNR are estimates for settlement of claims in future which are impacted by a number of factors which includes the trends in severity of historical claims, frequency of historical claims and changes in government regulations.</p> <p>Determination of IBNR involves complex and subjective judgements about future events, both internal and external to the business, for which small changes in assumptions can materially impact the valuation of these liabilities.</p>	<p>Our audit procedures in respect of this area includes the following:</p> <ul style="list-style-type: none"> <li>• We assessed and tested the operating effectiveness of selected key controls relating to the claims handling and reserving process, including controls over completeness and accuracy of the claims estimates recorded;</li> <li>• Substantive tests were performed on the amounts recorded for a sample of claims notified, focusing on those with significant impact on the financial statements, to assess whether the claims are appropriately estimated and recorded;</li> <li>• We used an external actuarial specialist to assist us in evaluation of general principles, actuarial assumptions and methods adopted for actuarial valuations by the actuary of the Company for identification of IBNR;</li> <li>• Assessed of competence, capability and objectivity of management's expert;</li> <li>• Assessed the adequacy and completeness of data provided by the Company to its actuary and checked the input used.</li> <li>• Considered the adequacy of the Company's disclosures about the estimates used.</li> </ul>

Sr No.	Key audit matters	How the matter was addressed in our audit
3	Existence and valuation of investments	
	<p>As disclosed in note 9, 10 and 11 to these financial statements, the company has investments in associates, investments in quoted and unquoted equity securities and units of mutual funds and investments in debt securities amounting to Rs. 73.97 million, 941.6 million and 1,851.39 million respectively, which comprise of 56.53% of total assets of the company.</p> <p>In view of significance of the investments, we have identified the existence and valuation of company's investments as a key audit matter.</p>	<p>Our audit procedures in respect of this area includes the following:</p> <ul style="list-style-type: none"> <li>• We assessed the design and operating effectiveness of selected key controls over acquisition (including board approval), disposals and periodic valuation including approval process.</li> <li>• In relation to quoted and unquoted equity investments, we performed the substantive audit procedures on year end balance of portfolio including review of custodian's statement together with related reconciliations (where applicable) and re-performance of investment valuations based on quoted market prices at the Pakistan Stock Exchange for quoted equity and available net asset value for unquoted investments as at December 31, 2023;</li> <li>• In relation to investments in government securities, we obtained purchase documents to trace acquisition cost, face value, issue date and settlement date driving computation of amortization cost recognized as of the reporting date;</li> <li>• In relation to investments in mutual funds, we assessed whether investments were valued at fair value based on the last quoted market price by Mutual Fund Association of Pakistan (MUFAP) along with obtaining the direct confirmations from investment managers regarding the units and net asset value of such investments; and</li> <li>• Assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.</li> </ul>

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

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

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

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

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

## **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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



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

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

### Report on Other Legal and Regulatory Requirements

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

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

The financial statements of the Company for the year ended December 31, 2022 were audited by another firm of chartered accountants, who expressed an unmodified opinion on those financial statements vide their report dated March 17, 2023.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

**KARACHI**

**DATED: March 13, 2024**

**UDIN: AR202310166vH3tLhA0s**

**BDO EBRAHIM & CO.**

**CHARTERED ACCOUNTANTS**


# Statement of Financial Position

As at December 31, 2023

	Note	December 31, 2023	December 31, 2022
		----- (Rupees) -----	
<b>Assets</b>			
Property and equipment	7	100,890,307	121,843,946
Intangible assets	8	747,250	840,250
Investment in associates	9	73,966,924	67,361,755
Investments			
Equity securities	10	941,604,326	1,083,820,780
Debt securities	11	1,851,391,049	1,092,079,363
Loan and other receivable	12	95,975,373	46,624,061
Insurance / reinsurance receivable	13	822,041,695	766,758,124
Reinsurance recoveries against outstanding claims	26	193,897,623	193,417,129
Salvage recoveries accrued		2,785,000	8,213,493
Deferred commission expense	27	32,747,815	31,438,864
Deferred taxation	18	1,941,781	21,041,768
Retirement benefit obligations	14	14,059,440	-
Prepayments	15	280,250,689	250,467,869
Cash and bank	16	436,347,757	426,475,752
		<b>4,848,647,029</b>	<b>4,110,383,154</b>
Total assets of Window Takaful Operations - Operator's fund	17	<b>223,551,545</b>	<b>171,977,536</b>
<b>Total Assets</b>		<b>5,072,198,574</b>	<b>4,282,360,690</b>
<b>Equity and Liabilities</b>			
Authorized share capital (70,000,000 Ordinary shares of Rs.10 each)		<b>700,000,000</b>	<b>700,000,000</b>
<b>Capital and reserves attributable to Company's equity holders</b>			
Ordinary share capital	19	553,264,840	553,264,840
Share premium		254,024,260	254,024,260
Reserves	20	216,463,724	202,008,210
Unappropriated profits		1,799,315,078	1,419,710,349
<b>Total Equity</b>		<b>2,823,067,902</b>	<b>2,429,007,659</b>
<b>Liabilities</b>			
<b>Underwriting Provisions</b>			
Outstanding claims including IBNR	26	397,707,648	391,209,002
Unearned premium reserve	25	816,790,202	737,791,111
Unearned reinsurance commission	27	53,028,033	56,532,968
		<b>1,267,525,883</b>	<b>1,185,533,081</b>
Retirement benefit obligations	14	-	18,659,835
Premiums received in advance		7,260,474	4,343,566
Insurance / reinsurance payables	21	593,491,964	317,525,344
Other creditors and accruals	22	164,448,644	175,701,035
Taxation - provision less payments	23	136,226,166	85,084,215
<b>Total Liabilities</b>		<b>2,168,953,131</b>	<b>1,786,847,076</b>
Total liabilities of Window Takaful Operations - Operator's fund	17	<b>80,177,541</b>	<b>66,505,955</b>
<b>Total Equity and Liabilities</b>		<b>5,072,198,574</b>	<b>4,282,360,690</b>
<b>Contingencies and commitments</b>	24		


The annexed notes from 1 to 46 form an integral part of these financial statements.

  
Iqbal Ali Lakhani  
Chairman

  
Amin Mohammed Lakhani  
Director

  
Aftab Ahmad  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

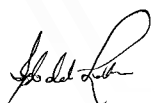
  
Sabza Ali Pirani  
Chief Financial Officer

# Profit and Loss Account

For the year ended December 31, 2023

		December 31, 2023	December 31, 2022
	Note	----- (Rupees) -----	
Net insurance premium	25	<b>1,197,153,489</b>	1,072,368,413
Net insurance claims	26	<b>(618,517,621)</b>	(561,534,977)
Net commission and other acquisition costs	27	<b>87,072,346</b>	100,119,141
Insurance claims and acquisition expenses		<b>(531,445,275)</b>	(461,415,836)
Management expenses	28	<b>(413,795,674)</b>	(389,981,028)
<b>Underwriting results</b>		<b>251,912,540</b>	220,971,549
Investment income	29	<b>449,940,380</b>	182,150,156
Other income	30	<b>76,941,573</b>	65,274,944
Other expenses	31	<b>(15,032,603)</b>	(11,809,889)
<b>Results of operating activities</b>		<b>763,761,890</b>	456,586,760
Finance costs - lease liabilities	22.6	<b>(3,767,436)</b>	(4,730,239)
Share of profit of associates	9	<b>9,563,620</b>	8,280,916
Profit from Window Takaful Operations - Operator's fund	17	<b>60,516,986</b>	35,043,112
<b>Profit before tax</b>		<b>830,075,060</b>	495,180,549
Income tax expense	32	<b>(333,206,395)</b>	(181,826,566)
<b>Profit after tax</b>		<b>496,868,665</b>	313,353,983
<b>Earnings (after tax) per share of Rs. 10 each - basic</b>	33	<b>8.98</b>	5.66

The annexed notes from 1 to 46 form an integral part of these financial statements.



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Director



Aftab Ahmad  
Director



Mohammad Hussain Hirji  
Director & Chief Executive



Sabza Ali Pirani  
Chief Financial Officer


# Statement of Comprehensive Income

For the year ended December 31, 2023

	December 31, 2023	December 31, 2022
	----- (Rupees) -----	
Profit after tax	496,868,665	313,353,983
<b>Other comprehensive income</b>		
<b>Items that will never be reclassified to profit and loss account in subsequent year - net of tax</b>		
Remeasurement of gain / (loss) post retirement benefits obligation	21,162,935	(12,733,465)
<b>Items that will be reclassified to profit and loss account in subsequent year:</b>		
Unrealised appreciation / (diminution) 'available for sale' investments - net of tax	17,203,102	(8,466,972)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net of tax	(5,136,374) 12,066,728	(15,717,617) (24,184,589)
- Share in other comprehensive loss of associates - net of tax	(110,402)	(195,239)
Unrealised appreciation on 'available for sale' investments of Window Takaful Operations - net of tax	3,354,466	965,680
Reclassification adjustment for net gain on available for sale investments included in profit and loss account of Window Takaful Operations - net of tax	(965,680) 2,388,786	(6,456) 959,224
<b>Other comprehensive income / (loss) for the year</b>	<b>35,508,047</b>	<b>(36,154,069)</b>
<b>Total comprehensive income for the year</b>	<b>532,376,712</b>	<b>277,199,914</b>


The annexed notes from 1 to 46 form an integral part of these financial statements.

  
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Director & Chief Executive

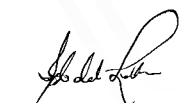
  
Sabza Ali Pirani  
Chief Financial Officer

# Cash Flow Statement

For the year ended December 31, 2023

	Note	December 31, 2023	December 31, 2022
		----- (Rupees) -----	
<b>Operating cash flows</b>			
(a) <b>Underwriting activities</b>			
Insurance premium received		2,015,499,203	1,809,355,587
Reinsurance premium paid		(450,737,045)	(554,780,035)
Claims paid		(809,047,995)	(1,088,149,943)
Reinsurance and other recoveries received		227,093,778	308,145,497
Commission paid		(108,106,286)	(83,711,076)
Commission received		30,848,793	118,136,401
Management expenses paid		(402,191,040)	(374,098,486)
Net cash inflow from underwriting activities		503,359,408	134,897,945
(b) <b>Other operating activities</b>			
Income tax paid		(242,889,771)	(147,000,537)
Other operating receipt		9,244,291	13,874,970
Net cash outflow from other operating activities		(233,645,480)	(133,125,567)
<b>Total cash inflow from operating activities</b>		269,713,928	1,772,378
<b>Investment activities</b>			
Profit / return received		290,397,511	129,354,627
Dividends received		35,064,764	31,783,910
Payments for investments		(7,959,569,284)	(5,697,291,988)
Proceeds from disposal of investments		7,553,242,937	5,376,431,420
Fixed capital expenditure		(21,726,649)	(17,134,619)
Proceeds from sale of property and equipment		2,954,289	7,019,007
<b>Total cash outflow from investing activities</b>		(99,636,432)	(169,837,643)
<b>Financing activities</b>			
Dividends paid		(137,964,688)	(112,660,353)
Lease rentals paid		(21,440,803)	(18,273,320)
<b>Total cash outflow from financing activities</b>		(159,405,491)	(130,933,673)
<b>Net cash inflow / (outflow) from all activities</b>		10,672,005	(298,998,938)
<b>Cash and cash equivalents at beginning of the year</b>		425,475,752	724,474,690
<b>Cash and cash equivalents at end of the year</b>	16.2	436,147,757	425,475,752
<b>Reconciliation to profit and loss account</b>			
Operating cash flows		269,713,928	1,772,378
Depreciation / amortization expense		(32,117,445)	(32,674,486)
Profit on disposal of property and equipment		(574,931)	2,335,388
Profit on disposal of investments		105,578,098	53,249,969
Dividend income		32,216,715	30,311,734
Other investment income		393,538,048	165,461,229
Share of profit of associates		9,563,620	8,280,916
Increase in assets other than cash		65,543,050	311,873,949
Increase in liabilities other than running finance		(382,106,055)	(249,991,406)
Profit from Window Takaful Operations		35,513,637	22,734,312
<b>Profit after tax</b>		496,868,665	313,353,983

The annexed notes from 1 to 46 form an integral part of these financial statements.



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Director & Chief Executive




Sabza Ali Pirani  
Chief Financial Officer


# Statement of Changes in Equity

For the year ended December 31, 2023

	Attributable to equity holders of the Company					Total
	Share capital Issued, subscribed and paid-up	Capital reserves Share premium	General reserve	Revenue reserves Unrealised appreciation / (diminution) 'available for sale' investments	Retained earnings	
	(Rupees)					
<b>Balance as at January 01, 2022</b>	502,968,030	254,024,260	119,000,000	106,233,575	1,282,749,800	2,264,975,665
<b>Total comprehensive income for the year</b>						
Profit after tax for the year	-	-	-	-	313,353,983	313,353,983
<b>Other comprehensive income</b>						
Share in other comprehensive loss of associates	-	-	-	-	(195,239)	(195,239)
Remeasurement of post retirement benefits obligation	-	-	-	-	(12,733,465)	(12,733,465)
Net unrealised loss arising during the year on revaluation of available for sale investments (including WTO) net of tax	-	-	-	(7,501,292)	-	(7,501,292)
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (including WTO) net of tax	-	-	-	(15,724,073)	-	(15,724,073)
<b>Total comprehensive (loss) / income for the year</b>	-	-	-	(23,225,365)	300,425,279	277,199,914
<b>Transactions with owners recorded directly in equity</b>						
Final cash dividend of Rs. 2.25 (22.50%) per share for the year ended December 31, 2021	-	-	-	-	(113,167,920)	(113,167,920)
Issue of bonus share at the rate of one for every ten share held	50,296,810				(50,296,810)	-
<b>Balance as at December 31, 2022</b>	553,264,840	254,024,260	119,000,000	83,008,210	1,419,710,349	2,429,007,659
<b>Total comprehensive income for the year</b>						
Profit after tax for the year	-	-	-	-	496,868,665	496,868,665
<b>Other comprehensive income</b>						
Share in other comprehensive loss of associates	-	-	-	-	(110,402)	(110,402)
Remeasurement of post retirement benefits obligation	-	-	-	-	21,162,935	21,162,935
Net unrealised gain arising during the year on revaluation of available for sale investments (including WTO) net of tax	-	-	-	20,557,568	-	20,557,568
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) net of tax	-	-	-	(6,102,054)	-	(6,102,054)
<b>Total comprehensive income for the year</b>	-	-	-	14,455,514	517,921,198	532,376,712
<b>Transactions with owners recorded directly in equity</b>						
Final cash dividend of Rs. 2.50 (25.00%) per share for the year ended December 31, 2022	-	-	-	-	(138,316,469)	(138,316,469)
<b>Balance as at December 31, 2023</b>	553,264,840	254,024,260	119,000,000	97,463,724	1,799,315,078	2,823,067,902


The annexed notes from 1 to 46 form an integral part of these financial statements.

  
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Sabza Ali Pirani  
Chief Financial Officer

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

## 1. LEGAL STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on October 10, 1985 under the Companies Act 2017. The Company is listed on the Pakistan Stock Exchange Limited and is engaged in general insurance business. The registered office of the Company is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

The Company was granted authorization on August 07, 2017 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations by Securities and Exchange Commission of Pakistan (SECP) and under Takaful Rules, 2012 to carry on general takaful operations in Pakistan. The Company has formed a Waqf for Participants' Fund ("PTF") by executing the Waqf deed dated August 17, 2017. The Company commenced its activities of Window Takaful Operations on August 18, 2017.

### 1.1 The Company operates through the following locations in Pakistan;

Locations	Address
Head Office	11th Floor, Lakson Square Building No. 3, Sarwar Shaheed Road, Karachi.
Clifton Office	Office # 504-505, 5th Floor, Marine Point, DC 1, Block-9, Clifton, Karachi.
Shahrah-e-Faisal Branch	Ebrahim Estates, 2nd Floor, D/1 Union Commercial Area, Block 7 & 8, Shahrah-e-Faisal, Karachi.
Khalid Bin Waleed Road Office	Office # 901 - 902, 9th Floor, Dulara Business Centre, Plot # 19, Maniya Co-operative Housing Society, Khalid Bin Waleed Road, Karachi.
Lahore Regional Office	1st Floor, 14 Ali Block, New Garden Town, Lahore.
Islamabad Office	Office # 6, Kashmir Plaza, Jinnah Avenue, Blue Area, Islamabad.
Sialkot Office	Al Khalil Centre, 1st Floor, Office # 215, Kashmir Road, Near China Chowk, Sialkot.
Gujranwala Office	2nd Floor, Gujranwala Business Centre, Opp. Gujranwala Chamber of Commercial & Industry Trust Plaza, Gujranwala.
Faisalabad Office	2nd Floor, Legacy Tower, Kohinoor City, Faisalabad.
Multan Office	Office # 55-57, 1st Floor, Business City Plaza, Bosan Road, Multan.

## 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with 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 Standard Board (IASB) as are notified under Companies Act, 2017; and
- Provision of and directive issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, General Takaful Accounting Regulations, 2019 and Takaful Rules, 2012.

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

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 89(1)/2017 dated February 09, 2017 has prescribed format of the presentation of annual financial statements for general insurance companies. These financial statements have been prepared in accordance with the format prescribed by the SECP.

Total assets, total liabilities and profit of the Window Takaful Operations of the Company referred to as the Operator's Fund has been presented in these financial statements in accordance with the requirements of SRO 1416(1)/2019 issued on November 20, 2019.

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

## 2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for certain investments which are stated at their fair values and staff gratuity which is stated at present value.

## 2.3 Functional and presentation currency

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

## 3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2023

The following standards, amendments and interpretations are effective for the year ended December 31, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

Standard or Interpretation	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policy information (2022: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 standard has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 01, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	
The company has taken a benefit of temporary exemption of applying IFRS 9 Financial instrument with IFRS 17 Insurance Contract as allowed under IFRS.	

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented.

### 4.1 Property and Equipment

#### 4.1.1 Tangibles

These are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is charged over the estimated useful life of the asset on a systematic basis to income applying the straight line method at the rates specified in note 7.1 to the financial statements, after taking into account residual value.

Depreciation on additions is charged from the month in which the asset is put to use whereas no depreciation is charged from the month the asset is disposed off.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is possible that the future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to profit and loss account currently.

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

An item of tangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss in the year the asset is derecognised.

Depreciation methods, useful lives and residual values that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

## 4.1.2 Capital work-in-progress

Capital work-in-progress including advances made for capital expenditure is stated at cost less impairment, if any.

## 4.2 Intangibles

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

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

### Indefinite Intangible

These are stated at cost less impairment, if any.

### Definite Intangible

- a) These are stated at cost less accumulated amortisation and impairment, if any.
- b) Intangible assets are amortised on straight line basis over its estimated useful life(s).
- c) Amortisation on additions is charged from month in which the asset is put to use, whereas no amortisation is charged from the month the assets is disposed off.

The carrying amounts are reviewed at each reporting date to assess whether these are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets' are written down to their estimated recoverable amounts.

## 4.3 Leases

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly leases properties for its operations. The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of right-of-use asset or end of the lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

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. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term and low value assets. The lease payments associated with these leases are recognized as an expenses on a straight line basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

#### **4.4 Insurance contracts**

Insurance contracts represent contracts with policy holders and reinsurers.

Those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policy holders) by agreeing to compensate the policy holders if a specified uncertain future event (the insured event) adversely affects the policy holders are insurance policy contracts. The Company enters into fire and property damage, marine, motor, health, burglary, loss of cash in transit, travel, personal accident, money, engineering losses and other insurance contracts with group companies, corporate clients and individuals residing or located in Pakistan.

Those insurance contracts that are issued by one insurer (the reinsurer) to compensate another insurer (the cedant) for losses on one or more contracts issued by the cedant are reinsurance contracts. The Company enters in to reinsurance contracts with both foreign and local reinsurers.

These reinsurance contracts includes both treaty and facultative arrangements and are classified in same categories of insurance contracts for the purpose of these financial statements. The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted reinsurance business being reinsured.

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

#### **4.5 Deferred Commission expense / Acquisition cost**

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

#### **4.6 Unearned premium**

The portion of premium written relating to the unexpired period of coverage is recognised as unearned premium by the Company. The unearned premium is calculated by applying the twenty-fourths method as specified in the Insurance Accounting Regulations, 2017.

#### **4.7 Premium deficiency**

The Company is required as per Insurance Rules, 2017 to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after the reporting date in respect of policies in that class of business at the reporting date. The movement in the premium deficiency reserve is recorded as an expense and the same shall be recognised as a liability.

For this purpose, loss ratios for each class are estimated based on historical claim development. Judgement is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, premium deficiency is estimated.

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

Based on an analysis of combined operating ratio for the expired period of each reportable segment, the management considers that the unearned premium reserve for all classes of business as at the year end is adequate to meet the expected future liability after reinsurance, from claims and other expenses, expected to be incurred after the reporting date in respect of policies in those classes of business in force at the reporting date. The liability of premium deficiency in relation to all classes of business is calculated in accordance with the advice of the actuary. Hence, no provision for the same has been made in these financial statements.

## 4.8 Reinsurance contracts held

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

Reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not offset against expenses or income from related insurance assets as required by Insurance Ordinance, 2000. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expired.

The Company assesses its reinsurance assets for impairment on reporting date. If there is an objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises it as impairment loss.

## 4.9 Receivables and payables related to insurance contracts

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

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

## 4.10 Segment reporting

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

The Company presents segments reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rule, 2017. The reported operating segments are also consistent with the internal reporting provided to Board of Directors which are responsible for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment.

The Company has five primary business segments for reporting purposes namely fire, marine, motor, accident & health and miscellaneous.

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

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

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

Accident and health insurance provides cover to compensate personal accident, hospitalisation and outpatient medical coverage to the insured.

Miscellaneous insurance provides cover against burglary, loss of cash in safe and cash in transit, travel, money, engineering losses and other covers.

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

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them. Those assets and liabilities which can not be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Management expenses are allocated to a particular segment on the basis of premium written.

#### **4.11 Cash and cash equivalents**

Cash and cash equivalents for cash flow purposes include cash in hand, policy stamps, bank balances and the term deposit receipts having a maturity of not more than three months and are subject to insignificant risk of change in value.

#### **4.12 Revenue Recognition**

##### **a) Premiums**

Premiums under a policy are recognised as revenue at the time of issuance of insurance policy / cover note. Where the pattern of incidence of risk varies over the period of the policy, premium is recognised as revenue in accordance with the pattern of the incidence of risk. Administrative surcharge is recognised as revenue at the time of issuance of insurance policy.

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

##### **b) Commission Income**

Commission income from reinsurers is recognised at the time of issuance of the underlying insurance policy by the Company. This income is deferred and brought to account as revenue in accordance with the pattern of recognition of the reinsurance premium to which it relates. Profit / commission, if any, under the terms of reinsurance arrangements, is recognised when the Company's right to receive the same is established.

##### **c) Investment income**

- Income from held to maturity investments is recognised on a time proportion basis taking into account the effective yield on the investments. The difference between the redemption value and the purchase price of the held to maturity investments is amortised and taken to the profit and loss account over the term of the investment.
- Dividend income from investments, other than those which are accounted for under the equity method is recognised when the Company's right to receive the payment is established.
- Gain or loss on sale of investment is included in income currently.
- Return on bank deposits is recognised on a time proportionate basis taking into account the effective yield.

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

- Return on fixed income securities is recognised on a time proportion basis taking into account the effective yield on the investments.

## 4.13 Investments

### 4.13.1 Classification and Recognition

All investments are initially recognised at cost, being the fair value of the consideration given and include transaction costs, except for held for trading in which case transaction costs are charged to the profit and loss account. These are recognized and classified as follows:

- Investment at fair value through profit or loss
- Held to maturity
- Available-for-sale

The classification depends on the purpose for which the financial assets were acquired.

### 4.13.2 Measurement

#### 4.13.2.1 Investment at fair value through profit or loss

Investments which are acquired principally for the purposes of generating profit from short-term fluctuation in market price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading.

Investments which are designated at fair value through profit or loss upon initial recognition.

Subsequent to initial recognition, these investments are remeasured at fair market value. Gains or losses on investments on remeasurement of these investments are recognised in profit and loss account.

#### 4.13.2.2 Held to maturity

Investments with fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequently, these are measured at amortised cost less provision for impairment, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortised over the term of investment using the effective yield.

#### 4.13.2.3 Available-for-sale

Investments which are not eligible to be classified as “fair value through profit or loss” or “held to maturity” are classified as ‘available-for-sale’. These investments are intended to be held for an indefinite period of time which may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available-for-sale.

##### Quoted

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

##### Unquoted

Unquoted investments are recorded at cost less accumulated impairment losses except for Investment in Private Equity fund which is valued at Net assets value of the Fund.

#### **4.13.2.4 Fair / market value measurements**

For investments in Government securities, fair / market value is determined by reference to quotations obtained from MUFAP page (PKRV) where applicable. For investments in quoted marketable securities, other than Term Finance Certificates, fair / market value is determined by reference to Stock Exchange quoted market price at the close of business on reporting date. The fair market value of Term Finance Certificates is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP).

#### **4.13.2.5 Investment in associates - equity method**

Investments in associates, where the Company has significant influence but not control, are accounted for by using the equity method of accounting. These investments are initially recognised at cost, thereafter the Company's share of the changes in the net assets of the associates are accounted for at the end of each reporting period less impairment loss, if any. Share of profit and loss of associate is accounted for in the Company's profit and loss account, whereas changes in the associate's equity which has not been recognised in the associates profit and loss account, are recognised directly in equity of the Company.

After the application of equity method including recognising the associates losses, the Company determines whether it is necessary to recognise any additional impairment loss with respect to its net investment in associate by comparing the entire carrying amount with its recoverable amount i.e. the higher of value in use or fair market price less cost to sell. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of carrying amount that would have been determined if no impairment loss had been recognized. A reversal of impairment loss is recognized in the profit and loss account.

#### **4.13.2.6 Date of recognition**

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 on which the Company commits to purchase or sell the investment.

#### **4.14 Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **4.15 Creditors, accruals and provisions**

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

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

#### **4.16 Claims expense and Provision for outstanding claims including Incurred But Not Reported (IBNR)**

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

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

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

## Outstanding claims

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

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

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

## Incurred But Not Reported (IBNR) Claims

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

The Company is required, as per SECP circular no. 9 of 2016 dated March 09, 2016 "Guidelines for Estimation of Incurred but not reported claims reserve, 2016" to estimate and maintain the provision for claims incurred but not reported for each class of business by using prescribed Method "Chain Ladder Method" and other alternate method as allowed under the provisions of the Guidelines. The actuarial valuation as at December 31, 2023 has been carried out by independent firm of actuaries for determination of IBNR for each class of business.

## 4.17 Taxation

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

### Current

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

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

### Deferred

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

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

#### **4.18 Staff Retirement benefits**

##### **4.18.1 Defined benefit plan**

The Company operates an approved and funded gratuity scheme for all permanent employees who attain the minimum qualification period for entitlement to gratuity. The liability / asset recognized in the balance sheet is the present value of defined benefit obligation at the reporting date less fair value of plan assets. The defined benefit obligation is calculated annually using Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

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

The last actuarial valuation of the Company's defined benefit plan was carried on as of December 31, 2023.

##### **4.18.2 Defined contribution plan**

The Company contributes to a provident fund scheme which covers all permanent employees. Equal contributions are made both by the Company and the employees to the fund at the rate of 10 percent of basic salary plus cost of living allowance.

##### **4.18.3 Employees' compensated absences**

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

#### **4.19 Impairment of assets**

The carrying amount of assets other than deferred tax asset are reviewed at each reporting date to determine whether there is any indication of impairment of any asset or group of assets. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised. Impairment is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investments classified as available-for-sale below its cost is also considered an objective evidence of impairment. Impairment losses are reversed when there is an indication that impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. However, in case of equity securities classified as available for sale the decrease in impairment loss is not reversed.

#### **4.20 Dividend distribution and reserve appropriation**

Dividend distribution and reserve appropriations are recognized when approved.

#### **4.21 Management expenses**

These are allocated to various classes of business in proportion to the respective gross premium written during the year. Expenses not allocable to the underwriting business are charged as other expenses.

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

## 4.22 Foreign currency translation

Foreign currency transactions during the period are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the reporting date. Gains and losses on translation are taken to income currently. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## 4.23 Financial instruments

Financial instruments carried on the reporting date include cash and bank, premiums due but unpaid, amount due from other insurers / reinsurers, accrued investment income, reinsurance recoveries against outstanding claims, sundry receivables, amount due to other insurers / reinsurers, accrued expenses, other creditors and accruals, deposits and other payables and unclaimed dividends.

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

## 4.24 Earnings per share

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

## 4.25 Transaction with related parties

All the transaction involving related parties arising in the normal course of business are conducted at agreed / commercial terms and condition.

## 4.26 Window Takaful Operations

The accounting policies followed by Window Takaful Operations are stated in the annexed financial statements of Window Takaful Operations for the year ended December 31, 2023.

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

### 5.1 Use of estimates and judgements

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent years are included in following notes:

- a) residual values and useful lives of fixed assets (note 4.1);
- b) provision for unearned premium (note 4.6);
- c) premium deficiency reserve (note 4.7);
- d) provision for premium due but unpaid and amount due from other insurers / reinsurers (note 4.9);
- e) segment reporting (note 4.10);

- f) valuation of investments (note 4.13.2);
- g) provision for outstanding claims (including IBNR) and reinsurance recoveries there against (note 4.16);
- h) taxation (note 4.17);
- i) staff retirement benefits (note 4.18);
- j) impairment (note 4.19); and
- k) allocation of management expenses (note 4.21).
- l) leases (note 4.3)

## 6. DISCLOSURES RELATED TO TEMPORARY EXEMPTION FROM IFRS 9

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement consideration for the time value of money and credit risk are typically the most significant elements of interest. IFRS 9 defines the terms principal as being the fair value of the financial asset at initial recognition and the interest as being compensation for (i) the time value of money and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The debt instruments accounted for fair value through other comprehensive income under IAS 39 are potentially eligible to SPPI test whereas it is not applicable for the debt instruments accounted for fair value through profit or loss.

The tables below set out the fair values on gross basis as at the end of reporting period and the amount of change in the fair value during that period 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.

	December 31, 2023				
	Fail the SPPI Test		Pass the SPPI Test		
	Fair value	Change in unrealized gain during the year	Carrying Value	Cost less impairment	Change in unrealized gain or (loss) during the year
	----- (Rupees) -----				
<b>Financial assets</b>					
Investment in associate	197,260,990	-	-	-	-
Investments					
- Equity securities - available for sale	809,449,041	137,005,741	-	-	-
- Equity securities - held for trading	132,155,285	31,975,073	-	-	-
- Debt securities - held for trading	-	-	975,179,231	-	4,194,996
- Debt securities - available for sale	-	-	846,384,240	-	(4,457,491)
- Debt securities - held to maturity	-	-	29,827,578	-	-
Loan and other receivables*	95,975,373	-	-	-	-
Cash and bank	436,347,757	-	-	-	-
<b>TOTAL</b>	<b>1,671,188,446</b>	<b>168,980,814</b>	<b>1,851,391,049</b>	<b>-</b>	<b>(262,495)</b>

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

	Gross Carrying amount of debt instruments that pass the SPPI test						Total
	AAA	AA-	A+	A	A-	Unrated	
	(Rupees)						
<b>Investment in debt securities</b>							
Held for trading	-	-	-	-	-	975,179,231	975,179,231
Available for sale	106,204,665	149,630,586	77,957,600	20,000,000	15,000,000	477,591,389	846,384,240
Held to maturity	-	-	-	-	-	29,827,578	29,827,578
	<b>106,204,665</b>	<b>149,630,586</b>	<b>77,957,600</b>	<b>20,000,000</b>	<b>15,000,000</b>	<b>1,482,598,198</b>	<b>1,851,391,049</b>

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

		December 31, 2023	December 31, 2022
	Note	(Rupees)	
<b>7. PROPERTY AND EQUIPMENT</b>			
Operating assets	7.1	<b>78,439,744</b>	80,468,039
Right to use assets	7.2	<b>16,493,563</b>	36,183,696
Capital work in progress	7.3	<b>5,957,000</b>	5,192,211
		<b>100,890,307</b>	121,843,946

## 7.1 Operating assets

	December 31, 2023									
	Cost				Depreciation			Written down value as at		Depreciation rate
	As at January 01, 2023	Additions / Transfers	Disposals	As at December 31, 2023	As at January 01, 2023	For the year (Note 7.1.1)	Disposals	As at December 31, 2023	December 31, 2023	%
	(Rupees)									
Office improvement	19,307,367	530,074	1,295,985	18,541,456	14,179,424	756,821	344,786	14,591,459	3,949,997	10
Furniture and fixtures	18,067,612	269,702	944,678	17,392,636	12,530,697	1,073,306	503,909	13,100,094	4,292,542	10
Office equipment	18,335,548	616,684	678,922	18,273,310	13,475,673	1,715,067	505,898	14,684,842	3,588,468	10 - 33
Computer and related accessories	12,044,178	1,798,310	2,017,412	11,825,076	9,179,394	1,746,113	1,995,540	8,929,967	2,895,109	33
Motor vehicles	111,826,511	15,135,090	6,036,859	120,924,742	49,747,989	11,567,118	4,103,993	57,211,114	63,713,628	20 - 33
	<b>179,581,216</b>	<b>18,349,860</b>	<b>10,973,856</b>	<b>186,957,220</b>	<b>99,113,177</b>	<b>16,858,425</b>	<b>7,454,126</b>	<b>108,517,476</b>	<b>78,439,744</b>	
	December 31, 2022									
	Cost				Depreciation			Written down value as at		Depreciation rate
	As at January 01, 2022	Additions / Transfers	Disposals	As at December 31, 2022	As at January 01, 2022	For the year	Disposals	As at December 31, 2022	December 31, 2022	%
	(Rupees)									
Office improvement	19,117,106	2,417,262	2,227,001	19,307,367	14,962,619	876,067	1,659,262	14,179,424	5,127,943	10
Furniture and fixtures	18,202,261	1,027,255	1,161,904	18,067,612	12,059,917	1,227,047	756,267	12,530,697	5,536,915	10
Office equipment	18,311,249	1,438,431	1,414,132	18,335,548	12,989,042	1,869,090	1,382,459	13,475,673	4,859,875	10 - 33
Computer and related accessories	11,074,825	2,074,881	1,105,528	12,044,178	8,753,376	1,531,491	1,105,473	9,179,394	2,864,784	33
Motor vehicles	112,849,965	11,893,200	12,916,654	111,826,511	47,434,898	11,551,230	9,238,139	49,747,989	62,078,522	20 - 23
	<b>179,555,406</b>	<b>18,851,029</b>	<b>18,825,219</b>	<b>179,581,216</b>	<b>96,199,852</b>	<b>17,054,925</b>	<b>14,141,600</b>	<b>99,113,177</b>	<b>80,468,039</b>	

7.1.1 During the year ended December 31, 2023, an aggregate amount of Rs. 1.011 million out of depreciation of Rs. 16.858 million has been allocated to window takafal operations.

7.2	Right to use assets	Cost				Depreciation		Written down value as at	
		As at January 01, 2023	Additions	(Disposals / written off)	As at December 31, 2023	As at January 01, 2023	For the year	(Disposals / written off)	As at December 31, 2023
		(Rupees)							
	Property lease	73,879,907	-	46,740,010	27,139,897	37,696,211	16,183,105	43,232,982	10,646,334
	December 31, 2022	72,619,967	24,058,347	22,798,407	73,879,907	37,316,362	16,606,431	16,226,582	37,696,211

7.3	Capital work-in-progress	December 31,	
		2023	December 31, 2022
		(Rupees)	
	Advance against purchase of vehicles	5,957,000	5,192,211
		5,957,000	5,192,211

## 8. INTANGIBLE ASSETS

Intangible assets	8.1	147,250	240,250
Capital work-in-progress	8.2	600,000	600,000
		747,250	840,250

8.1	Intangible assets	Cost				Amortisation		Written down	
		As at January 01, 2023	Additions	(Disposals / written off)	As at December 31, 2023	As at January 01, 2023	For the year	(Disposals / written off)	As at December 31, 2023
		(Rupees)							
	Computer software	7,285,837	-	-	7,285,837	7,045,587	93,000	-	7,138,587
	December 31, 2022	7,006,837	279,000	-	7,285,837	7,006,837	38,750	-	7,045,587

8.2	Capital work-in-progress	December 31,	
		2023	December 31, 2022
		(Rupees)	
	Advance against software development	600,000	600,000
		600,000	600,000

## 9. INVESTMENT IN ASSOCIATES

The Company has 0.037% and 0.428% interest in Colgate Palmolive (Pakistan) Limited (CPPL) and Century Paper & Board Mills Limited (CPBML). The Company's interest in CPPL and CPBML is accounted for using the equity method in these financial statements on the basis of significant influence which is demonstrated by common representation of directors of the Company on Board of Director's of CPPL and CPBML.

2023	2022	Face value per share (Rupees)	Quoted	Note	December 31, 2023	December 31, 2022
---	(Number of shares) ---				(Rupees)	
89,290	30,790	10	Colgate Palmolive (Pakistan) Limited (CPPL) (Incorporated in Pakistan)	9.1	16,308,404	14,194,543
1,720,031	955,573	10	Century Paper & Board Mills Limited (CPBML) (Incorporated in Pakistan)	9.1	57,658,520	53,167,212
					73,966,924	67,361,755

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

## 9.1 Movement of investment in equity accounted investees is as follows:

	December 31, 2023		
	Colgate Palmolive (Pakistan) Limited	Century Paper & Board Mills Limited	Total
	----- (Rupees) -----		
Opening balance as at January 01, 2023	14,194,543	53,167,212	67,361,755
Share of profit	4,988,887	4,574,733	9,563,620
Share of other comprehensive loss	(26,977)	(83,425)	(110,402)
Dividend received	(2,848,049)	-	(2,848,049)
Closing balance as at December 31, 2023	16,308,404	57,658,520	73,966,924

	December 31, 2022		
	Colgate Palmolive (Pakistan) Limited	Century Paper & Board Mills Limited	Total
	----- (Rupees) -----		
Opening balance as at January 01, 2022	12,981,554	47,700,159	60,681,713
Share of profit	2,630,857	5,650,059	8,280,916
Share of other comprehensive loss	(12,233)	(183,006)	(195,239)
Dividend received	(1,405,635)	-	(1,405,635)
Closing balance as at December 31, 2022	14,194,543	53,167,212	67,361,755

## 9.2 Market value of investments in associates is as follows:

### Quoted

Colgate Palmolive (Pakistan) Limited  
Century Paper & Board Mills Limited

December 31, 2023	December 31, 2022
----- (Rupees) -----	
141,256,780	56,961,500
56,004,210	47,281,752
197,260,990	104,243,252

## 9.3 Percentage of holding of equity in associates is as follows:

Colgate Palmolive (Pakistan) Limited  
Century Paper & Board Mills Limited

December 31, 2023	December 31, 2022
-----(Percentage of holding)----	
0.037%	0.037%
0.428%	0.428%

**9.4** The following is summarized financial information of CPPL and CPBML as at and for the twelve month period ended December 31, 2023. Based on their respective unaudited condensed interim financial information and quarterly financial information prepared in modified for fair value and other adjustments and differences in the Company's accounting policies:

**For the period ended**

	<b>Colgate Palmolive (Pakistan) Limited</b>	<b>Century Paper &amp; Board Mills Limited</b>
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	----- (Rupees) -----	
Revenues	<b>91,800,389,000</b>	75,516,164,000
Profit after tax	<b>13,564,436,000</b>	7,153,037,000
Other comprehensive loss	<b>(73,349,000)</b>	(33,260,000)
Total comprehensive income	<b>13,491,087,000</b>	7,119,777,000

**At period end**

Non current assets	<b>45,932,257,000</b>	7,812,385,000	<b>11,830,870,000</b>	11,836,206,000
Current assets	<b>8,335,593,000</b>	30,577,015,000	<b>17,390,937,000</b>	23,538,056,000
Non current liabilities	<b>(1,780,384,000)</b>	(1,831,058,000)	<b>(5,347,717,000)</b>	(6,893,035,000)
Current liabilities	<b>(22,013,039,000)</b>	(11,831,373,000)	<b>(10,407,895,000)</b>	(16,063,976,000)
Net assets	<b>30,474,427,000</b>	24,726,969,000	<b>13,466,195,000</b>	12,417,251,000

Interest in net assets of investee at end of the year	<b>11,208,770</b>	9,094,803	<b>57,658,520</b>	53,167,212
Fair value and other adjustments at acquisition	<b>5,099,734</b>	5,099,833	-	-

**Carrying amount of interest in equity accounted investees at end of the year**

	<b>16,308,504</b>	14,194,636	<b>57,658,520</b>	53,167,212
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**10. INVESTMENTS IN EQUITY SECURITIES**

		December 31, 2023				December 31, 2022			
		Cost	Impairment on AFS	Unrealised gain on revaluation	Carrying value	Cost	Impairment on AFS	Unrealised gain / (loss) on revaluation	Carrying value
Note		----- (Rupees) -----							
Available for sale	10.1	<b>672,443,300</b>	-	<b>137,005,741</b>	<b>809,449,041</b>	875,251,013	(2,810,476)	135,804,612	1,008,245,149
Held for trading	10.2	<b>100,180,211</b>	-	<b>31,975,074</b>	<b>132,155,285</b>	77,072,486	-	(1,496,855)	75,575,631
		<b>772,623,511</b>	-	<b>168,980,815</b>	<b>941,604,326</b>	952,323,499	(2,810,476)	134,307,757	1,083,820,780
<b>10.1 Available for sale</b>									
<b>Related parties</b>									
Mutual funds	10.1.1	<b>364,055,116</b>	-	<b>121,904,871</b>	<b>485,959,987</b>	349,651,560	-	121,534,205	471,185,765
<b>Others</b>									
Listed shares		<b>4,926,319</b>	-	<b>2,312,515</b>	<b>7,238,834</b>	15,152,931	(2,810,476)	2,334,504	14,676,959
Unlisted shares		<b>75,283</b>	-	-	<b>75,283</b>	75,283	-	-	75,283
Mutual funds		<b>303,386,582</b>	-	<b>12,788,355</b>	<b>316,174,937</b>	510,371,239	-	11,935,903	522,307,142
		<b>308,388,184</b>	-	<b>15,100,870</b>	<b>323,489,054</b>	525,599,453	(2,810,476)	14,270,407	537,059,384
		<b>672,443,300</b>	-	<b>137,005,741</b>	<b>809,449,041</b>	875,251,013	(2,810,476)	135,804,612	1,008,245,149
<b>10.2 Investment at fair value through profit and Loss</b>									
Listed shares		<b>100,180,211</b>	-	<b>31,975,074</b>	<b>132,155,285</b>	77,072,486	-	(1,496,855)	75,575,631
		<b>772,623,511</b>	-	<b>168,980,815</b>	<b>941,604,326</b>	952,323,499	(2,810,476)	134,307,757	1,083,820,780

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

## 10.1.1 Related parties

December 31, 2023 ----- (Number of units) -----	December 31, 2022	Face value (Rupees)	Name of entity	December 31, 2023				December 31, 2022			
				Cost	Impairment on AFS	Unrealised gain on revaluation	Carrying value	Cost	Impairment on AFS	Unrealised gain on revaluation	Carrying value
(Rupees)											
Open-end mutual funds											
1,594,792	1,415,023	100	Lakson Money Market Fund	164,055,116	-	2,003,925	166,059,041	143,842,084	-	166,933	145,320,175
-	57,443	100	Lakson Income Fund	-	-	-	-	5,809,476	-	404,353	5,964,644
Closed-end fund											
200	200	1,000,000	Lakson Private Equity Fund	200,000,000	-	119,900,946	319,900,946	200,000,000	-	119,900,946	319,900,946
				364,055,116	-	121,904,871	485,959,987	349,651,560	-	120,472,231	471,185,765

## 11. INVESTMENTS IN DEBT SECURITIES

		December 31, 2023			December 31, 2022		
	Note	Cost	Unrealised gain / (loss) on revaluation	Carrying value	Cost	Unrealised gain / (loss) on revaluation	Carrying value
(Rupees)							
<b>Held for trading</b>							
Government securities	11.1.1	970,984,235	4,194,996	975,179,231	396,080,455	(2,677,003)	393,403,452
<b>Held to maturity</b>							
Government securities	11.1.2 & 11.1.3	29,827,578	-	29,827,578	29,788,381	-	29,788,381
<b>Available for sale</b>							
Sukuk	11.1.4	25,000,000	-	25,000,000	25,000,000	-	25,000,000
Term finance certificate	11.1.5	342,597,600	1,195,251	343,792,851	192,810,800	581,920	193,392,720
Government securities	11.1.6	483,244,131	(5,652,742)	477,591,389	471,328,483	(20,833,673)	450,494,810
		850,841,731	(4,457,491)	846,384,240	689,139,283	(20,251,753)	668,887,530
		1,851,653,544	(262,495)	1,851,391,049	1,115,008,119	(22,928,756)	1,092,079,363

### 11.1 Particulars of debt securities are as follow

#### 11.1.1 Pakistan Investment Bonds

Type of security	Maturity date	Profit rate %	Profit payment	Face value  -- (Rupees) --	Carrying Value	
					December 31, 2023	December 31, 2022
					----- (Rupees) -----	
Pakistan Investment Bond - 5 years	September 19, 2024	9.500	Semi Annually	25,000,000	23,465,425	22,452,150
Pakistan Investment Bond - 10 years	August 22, 2029	24.475	Semi Annually	35,000,000	34,427,750	34,489,438
Pakistan Investment Bond - 10 years	July 25, 2029	23.675	Semi Annually	6,000,000	5,906,850	5,929,350
Pakistan Investment Bond - 5 years	May 06, 2026	21.842	Semi Annually	198,500,000	194,773,163	191,872,581
Pakistan Investment Bond - 10 years	November 04, 2031	21.842	Semi Annually	22,500,000	21,330,563	21,076,313
Pakistan Investment Bond - 5 years	November 17, 2026	21.458	Semi Annually	123,200,000	119,584,080	117,583,620
Pakistan Investment Bond - 5 years	April 6, 2028	22.850	Semi Annually	341,000,000	331,196,250	-
Pakistan Investment Bond - 2 years	December 30, 2023	23.390	Semi Annually	225,000,000	224,696,250	-
Pakistan Investment Bond - 5 years	December 14, 2028	21.326	Semi Annually	20,500,000	19,798,900	-
					975,179,231	393,403,452

#### 11.1.2 Pakistan Investment Bonds

Type of security	Maturity date	Profit rate %	Profit payment	Face value  -- (Rupees) --	Carring Value	
					December 31, 2023	December 31, 2022
					----- (Rupees) -----	
Pakistan Investment Bond - 10 years	May 31, 2028	21.826	Semi Annually	30,000,000	<u>29,827,578</u>	29,788,381
					<u>29,827,578</u>	29,788,381

The market value of held to maturity debt securities is Rs. 29.386 million (2022: Rs. 29.435 million).

**11.1.3** These securities are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

#### 11.1.4 Sukuk

No. of certificates		Company's name	Maturity date	Effective rate	Face value (Rupees)	Carrying Value	
December 31, 2023	December 31, 2022					December 31, 2023	December 31, 2022
----- (Rupees) -----							
5,000	5,000	Dubai Islamic Bank Pakistan Ltd	Perpetual	Kibor plus 1.75 %	5,000,000	25,000,000	25,000,000
						25,000,000	25,000,000

#### 11.1.5 Term finance certificate

No. of certificates		Company's name	Maturity date	Effective rate	Face value (Rupees)	Carrying Value		
December 31, 2023	December 31, 2022					December 31, 2023	December 31, 2022	
						----- (Rupees) -----		
21,000	21,000	Bank Al Habib Limited	December 06, 2028	6 months Kibor plus 1%	4,990	106,204,665	104,832,000	
4,000	4,000	Soneri Bank Limited	December 06, 2028	6 months Kibor plus 2%	5,000	20,000,000	20,000,000	
1,530	1,530	JS Bank Limited	December 31, 2028	6 months Kibor plus 2%	100,000	52,957,600	53,560,720	
150	150	NSRP Microfinance Bank Limited	July 09, 2028	3 months Kibor plus 3%	100,000	15,000,000	15,000,000	
1,500	-	Samba Bank Limited	March 01, 2031	6 months Kibor plus 1.35%	5,000	149,630,586	-	
						343,792,851	193,392,720	

#### 11.1.6 Pakistan Investment Bonds / Treasury Bills

Type of security	Maturity date	Profit / yield rate %	Profit payment	Face value -- (Rupees) --	Carrying Value	
					December 31, 2023	December 31, 2022
----- (Rupees) -----						
Pakistan Investment Bond - 5 years	September 19, 2024	9.50	Semi Annually	50,000,000	46,930,850	44,904,300
Pakistan Investment Bond - 10 years *	September 19, 2029	10.00	Semi Annually	50,000,000	42,432,450	41,349,050
Pakistan Investment Bond - 3 years	July 04, 2026	12.00	Semi Annually	70,000,000	65,202,340	-
Treasury bill 1 year	November 28, 2024	21.16	on maturity	120,000,000	101,778,120	-
Treasury bill 1 year	October 31, 2024	21.91	on maturity	199,000,000	171,141,791	-
Treasury bill 1 year	November 14, 2024	21.43	on maturity	35,000,000	29,892,030	-
Treasury bill 1 year	December 12, 2024	21.22	on maturity	24,000,000	20,213,808	-
Pakistan Investment Bond - 5 years	July 12, 2023	8.00	Semi Annually	30,000,000	-	28,676,280
Pakistan Investment Bond - 5 years	July 12, 2023	8.00	Semi Annually	50,000,000	-	47,793,800
Treasury bill 1 year	April 20, 2023	12.17	on maturity	45,000,000	-	42,823,710
Treasury bill 1 year	April 06, 2023	11.67	on maturity	25,000,000	-	23,943,650
Treasury bill 1 year	May 04, 2023	12.17	on maturity	200,000,000	-	189,063,400
Treasury bill 1 year	May 04, 2023	12.66	on maturity	34,000,000	-	31,940,620
					<u>477,591,389</u>	<u>450,494,810</u>

\* These securities are placed with State Bank of Pakistan as statutory deposit in accordance with the requirement of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000.

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

		December 31, 2023	December 31, 2022
	Note	----- (Rupees) -----	
<b>12. LOAN AND OTHER RECEIVABLE</b>			
Accrued investment income		71,925,639	22,550,329
Security deposits		7,704,004	7,988,504
Advance to employees		7,101,596	4,225,628
Advance against expenses		2,073,409	407,409
Receivable against sales of shares		-	438,702
Window Takaful Operations		6,695,183	10,439,162
Others		475,542	574,327
		<u>95,975,373</u>	<u>46,624,061</u>
<b>13. INSURANCE / RE-INSURANCE RECEIVABLE</b>			
Due from insurance contract holders	13.1	533,971,144	537,348,638
Amounts due from other insurers / reinsurers	13.5	17,547,046	27,291,829
Reinsurance recoveries due but unpaid		270,523,505	202,117,657
		<u>822,041,695</u>	<u>766,758,124</u>
<b>13.1 Due from insurance contract holders</b>			
<b>Unsecured</b>			
Considered good	13.2	533,971,144	537,348,962
Considered doubtful		22,992,958	24,169,529
		<u>556,964,102</u>	<u>561,518,491</u>
Provision for doubtful balances	13.4	(22,992,958)	(24,169,853)
		<u>533,971,144</u>	<u>537,348,638</u>
<b>13.2</b>	This includes a sum of Rs. 381.741 million (December 31, 2022: Rs. 384.930 million) due from related parties.		
<b>13.3</b>	The maximum aggregate amount due from related parties during the year was in the month of June 2023 amounting Rs. 610.00 million (June 2022: 634.61 million.)		
<b>13.4 Provision for doubtful balances</b>			
		December 31, 2023	December 31, 2022
		----- (Rupees) -----	
Opening balance		24,169,853	24,044,806
Provision made during the year		1,222,795	1,745,918
Recoveries during the year		(2,399,690)	(1,620,871)
		(1,176,895)	125,047
Closing balance		<u>22,992,958</u>	<u>24,169,853</u>
<b>13.5 Amounts due from other insurers / reinsurers</b>			
<b>Unsecured</b>			
<b>Considered good</b>			
Local reinsurers		47,013,583	55,367,674
Co-insurers		16,545,945	17,936,637
		<u>63,559,528</u>	<u>73,304,311</u>
Provision for doubtful balances		(46,012,482)	(46,012,482)
		<u>17,547,046</u>	<u>27,291,829</u>

## 14. STAFF RETIREMENT BENEFITS

### Defined benefit plan - gratuity scheme

The actuarial valuations are carried out annually and contributions are made accordingly. Following were the significant assumptions used for valuation of the scheme:

- Discount rate: 15.50% (December 31, 2022: 14.50%) per annum.
- Expected rate of increase in the salaries of the employees: 15.50% (December 31, 2022: 14.50%) per annum.
- Expected interest rate on plan assets of the scheme: 15.50% (December 31, 2022: 14.50%) per annum.
- Average length of service of the employees: 10.32 years (December 31, 2022: 10.05 years).

### 14.1 Liability in statement of financial position

**December 31,**      December 31,  
**2023**                      2022  
----- (Rupees) -----

Present value of defined benefit obligations	<b>89,339,028</b>	77,783,995
Fair value of plan assets	<b>(103,398,469)</b>	(59,124,160)
	<b><u>(14,059,441)</u></b>	<u>18,659,835</u>

### 14.2 Movement in liability during the year

Balance as at January 01	<b>18,659,835</b>	9,672,912
Charge to profit and loss account	<b>7,103,495</b>	5,926,370
Charged to other comprehensive income	<b>(21,162,935)</b>	12,733,465
Contributions to the fund during the year	<b>(18,659,835)</b>	(9,672,912)
Balance as at December 31	<b><u>(14,059,440)</u></b>	<u>18,659,835</u>

### 14.3 Reconciliation of the present value of defined benefit obligations

Present value of obligations as at January 01	<b>77,783,995</b>	64,845,800
Current service cost	<b>5,750,657</b>	5,333,904
Interest cost	<b>11,075,947</b>	7,909,199
Benefits paid	<b>(2,796,303)</b>	(561,827)
Actuarial (gain) / loss	<b>(2,475,268)</b>	256,919
Present value of obligations as at December 31	<b><u>89,339,028</u></b>	<u>77,783,995</u>

### 14.4 Reconciliation of the fair value of plan assets

Fair value of plan assets as at January 01	<b>59,124,160</b>	55,172,888
Expected return on plan assets	<b>9,723,109</b>	7,316,733
Contribution to the fund	<b>18,659,835</b>	9,672,912
Benefits paid	<b>(2,796,303)</b>	(561,827)
Actuarial gain / (loss)	<b>18,687,668</b>	(12,476,546)
Fair value of plan assets as at December 31	<b><u>103,398,469</u></b>	<u>59,124,160</u>

### 14.5 Charge to profit and loss account

Current service cost	<b>5,750,657</b>	5,333,904
Interest cost	<b>11,075,947</b>	7,909,199
Expected return on plan assets	<b><u>(9,723,109)</u></b>	<u>(7,316,733)</u>
	<b><u>7,103,495</u></b>	<u>5,926,370</u>

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

		December 31, 2023	December 31, 2022
		----- (Rupees) -----	
14.6	Remeasurements recognized in other comprehensive income, (expense) / income during the year		
	Actuarial (loss) / gain on obligations	2,475,268	(256,919)
	Actuarial gain / (loss) on assets	18,687,667	(12,476,546)
		<u>21,162,935</u>	<u>(12,733,465)</u>
14.7	Expected return on plan assets		
	Expected return on assets	<u>9,723,109</u>	<u>7,316,733</u>
14.8	Composition of fair value of plan assets		
		2023	2022
		Fair value -- (Rupees) --	Fair value -- (Rupees) --
		Percentage ---- (%) ----	Percentage ---- (%) ----
	Funds - related party	79,573,553	25,732,734
	Government securities	21,644,435	18,755,779
	Term deposit certificate	-	13,900,000
	Cash and bank balances	2,180,481	1,712,593
	Fair value of plan assets	<u>103,398,469</u>	<u>60,101,106</u>
14.9	Historical data of the fund		
		2023	2022
		2021	2020
		----- (Rupees) -----	
	Present value of defined benefit obligations	89,339,028	77,783,995
	Fair value of plan assets	(103,398,469)	(59,124,160)
	(Surplus) / deficit	<u>(14,059,441)</u>	<u>18,659,835</u>
	Experience adjustments		
	Actuarial loss / (gain) on obligation	(2,475,268)	256,919
	Actuarial (loss) / gain on assets	<u>18,687,668</u>	<u>(12,476,546)</u>
14.10	The estimated contribution to the fund for the year ended December 31, 2024 is Rs. 3.850 million.		
14.11	Sensitivity analysis		
		Change in assumption	Impact on Defined Benefit Obligation
			2023
			2022
			----- (Rupees) -----
	Discount rate	+1	82,688,416
	Discount rate	-1	96,916,437
	Long term salary increase	+1	96,847,017
	Long term salary increase	-1	82,634,000
			68,308,528
			89,126,928
			89,761,164
			6,657,880

## 15. PREPAYMENTS

	December 31, 2023	December 31, 2022
	----- (Rupees) -----	-----
Prepaid reinsurance premium ceded	25 <b>276,559,169</b>	246,734,602
Others	<b>3,691,520</b>	3,733,267
	<b><u>280,250,689</u></b>	<u>250,467,869</u>

## 16. CASH AND BANK

### Cash and cash equivalents

Cash in hand  
Policy stamps and bond papers in hand

	<b>497,550</b>	462,900
	<b>2,774,872</b>	2,554,268
	<b>3,272,422</b>	3,017,168

### Current and other accounts

Current accounts  
Saving accounts

16.1	<b>22,865,868</b>	18,727,774
16.3	<b>410,209,467</b>	404,730,810
	<b>433,075,335</b>	423,458,584
	<b><u>436,347,757</u></b>	<u>426,475,752</u>

**16.1** This includes lien on a local currency account, amounting to Rs. 0.020 million (December 31, 2022: Rs. 1.000 million) in respect of letters of credit arranged through a bank claims arising outside Pakistan.

**16.2** Cash includes the following for the purposes of the Statement of Cash Flows:

	December 31, 2023	December 31, 2022
	----- (Rupees) -----	-----
Cash and balance	<b>436,347,757</b>	426,475,752
Less: Local currency account with a lien	<b>200,000</b>	1,000,000
	<b><u>436,147,757</u></b>	<u>425,475,752</u>

**16.3** Savings accounts carry expected profit rates ranging from 20.50% to 21.50% (2022: 8.25% to 14.75%) per annum.

## 17. WINDOW TAKAFUL OPERATIONS

### Assets

Investments  
Cash and bank deposits  
Current assets - others

	December 31, 2023	December 31, 2022
	----- (Rupees) -----	-----
Investments	<b>151,057,179</b>	117,626,447
Cash and bank deposits	<b>14,731,012</b>	6,250,537
Current assets - others	<b>57,763,354</b>	48,100,552
<b>Total assets</b>	<b><u>223,551,545</u></b>	<u>171,977,536</u>

### Total liabilities - current

	<b>80,177,541</b>	66,505,955
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### Profit before tax for the year

	<b><u>60,516,986</u></b>	<u>35,043,112</u>
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Details of assets and liabilities and segment disclosures of Window Takaful Operations are stated in annexed financial statements for the year ended December 31, 2023.

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

## 18. DEFERRED TAXATION - NET

Deferred debit arising in respect of:

Accelerated depreciation on operating fixed assets  
Net liability of Leases  
Provision for claims incurred but not reported (IBNR)  
Provision for compensated absences  
Provision against receivables  
Provision for impairment on available for sale investments  
Unrealised loss on remeasurement of securities at  
held for trading - net  
Share in associates' reserves

Deferred credit arising in respect of

Share of profit from associates  
Unrealised gain on remeasurement of securities at  
held for trading - net  
Unrealised appreciation 'available for sale' investments

December 31, December 31,  
2023 2022  
----- (Rupees) -----

2,812,057	524,138
617,784	1,298,435
11,869,766	11,880,223
3,050,109	2,974,179
20,011,578	20,352,877
22,951,438	24,838,967
-	1,210,419
105,312	105,312
61,418,044	63,184,550

(10,547,951)	(8,632,453)
(10,489,320)	-
(38,438,992)	(33,510,329)
(59,476,263)	(42,142,782)
1,941,781	21,041,768

## 19. SHARE CAPITAL

### 19.1 Authorized capital

December 31, December 31,  
2023 2022  
----- (Number of shares) -----

70,000,000 70,000,000 Ordinary shares of Rs. 10 each

December 31, December 31,  
2023 2022  
----- (Rupees) -----

700,000,000 700,000,000

### 19.2 Issued, subscribed and paid-up

13,981,213 13,981,213 Ordinary shares of Rs. 10 each issued as  
fully paid in cash  
41,345,271 41,345,271 Ordinary shares of Rs. 10 each issued as  
fully paid bonus shares  
55,326,484 55,326,484

139,812,130 139,812,130  
413,452,710 413,452,710  
553,264,840 553,264,840

### 19.3 Ordinary shares of the Company held by associated companies / persons are as follows:

Siza (Private) Limited  
Siza Services (Private) Limited  
Siza Commodities (Private) Limited  
Premier Fashions (Private) Limited  
Directors and their spouses  
Related parties - individuals

December 31, December 31,  
2023 2022  
----- (Number of Shares) -----

7,873,097	7,873,097
13,037,355	13,037,355
5,492,413	5,492,413
16,021,360	16,021,360
289,155	8,810
6,135	6,135
42,719,515	42,439,170

## 20. RESERVES

### Revenue reserves

General reserve  
Unrealised appreciation on 'available for sale' investments - net of tax

December 31, 2023	December 31, 2022
----- (Rupees) -----	-----
<b>119,000,000</b>	119,000,000
<b>97,463,724</b>	83,008,210
<b>216,463,724</b>	<b>202,008,210</b>

## 21. INSURANCE / REINSURANCE PAYABLES

Due to other insurers / reinsurers

<b>593,491,964</b>	317,525,344
<b>593,491,964</b>	<b>317,525,344</b>

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

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

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

## 22. OTHER CREDITORS AND ACCRUALS

Agent commission payable  
Federal excise duty  
Federal insurance fees  
Creditors  
Retention money  
Margin deposits  
Withholding tax payable  
Accrued expenses  
Deposits from employees against car scheme  
Unclaimed dividend  
Lease liability  
Others

Note	December 31, 2023	December 31, 2022
	----- (Rupees) -----	-----
22.1	<b>50,428,650</b>	50,898,448
	<b>19,996,543</b>	17,434,800
	<b>1,649,983</b>	2,077,598
22.2	<b>7,684,995</b>	5,165,045
	<b>148,185</b>	141,073
22.3	<b>16,848,806</b>	15,229,243
	<b>61,164</b>	1,274,892
22.4	<b>17,618,932</b>	16,375,097
22.5	<b>22,833,219</b>	18,291,136
	<b>6,303,118</b>	5,951,337
22.6	<b>18,623,853</b>	40,661,057
	<b>2,251,196</b>	2,201,309
	<b>164,448,644</b>	<b>175,701,035</b>

**22.1** This includes a sum of Rs. 25.294 million (December 31, 2022: Rs. 25.294 million) due to related parties.

**22.2** This includes outstanding claims in respect of which cheques aggregating to Rs. 4.760 million (2022: Rs. 3.890 million) have been issued by the Company for claim settlement but the same have not been encashed by the claimant. The following is the aging as required by SECP's circular 11 of 2014 dated May 19, 2014:

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

	December 31, 2023	December 31, 2022
	----- (Rupees) -----	-----
1 to 6 months	326,951	373,801
More than 6 months	4,432,876	3,516,319
	<u>4,759,827</u>	<u>3,890,120</u>

Claims not encashed	1 to 6 months	7 to 12 months	13 to 24 months	25 to 36 months	Beyond 36 months	Total
	-----	-----	-----	-----	-----	----- (Rupees) -----
2023	326,951	542,756	785,731	347,279	2,757,110	4,759,827
2022	373,801	411,930	347,279	612,591	2,144,519	3,890,120

**22.3** This represents margin deposit on account of performance bond policies issued by the Company.

## **22.4 Accrued expenses**

	December 31, 2023	December 31, 2022
	----- (Rupees) -----	-----
Auditor's remuneration	1,516,600	1,183,350
Professional services fee	456,624	326,219
Provision for compensated absences	10,517,618	10,255,791
Utilities	250,646	340,893
Others	4,877,444	4,268,844
	<u>17,618,932</u>	<u>16,375,097</u>

**22.5** This represents amount withheld from employees' salary against motor vehicle installments.

	December 31, 2023	December 31, 2022
	----- (Rupees) -----	-----
<b>22.6 Lease liability</b>		
Opening balance	40,661,057	38,581,093
Additions	-	24,058,347
Finance cost	3,767,436	4,730,239
Terminations	(4,363,837)	(8,435,302)
Payment made	<u>(21,440,803)</u>	<u>(18,273,320)</u>
Closing balance	<u>18,623,853</u>	<u>40,661,057</u>

## **23. TAXATION - PROVISION LESS PAYMENTS**

Provision for taxation	781,789,761	487,758,038
Advance tax including tax deducted at source	<u>(645,563,595)</u>	<u>(402,673,823)</u>
	<u>136,226,166</u>	<u>85,084,215</u>

## 24. CONTINGENCIES AND COMMITMENTS

### 24.1 Contingencies

During the preceding years, the Company received orders under section 122(5A) passed by the Additional Commissioner Inland Revenue for the Tax Years 2016 on issue of treating dividend income as single basket income and to be taxed @ 35% instead of fixed rate of 10% and issue of super tax resulting aggregate demand of Rs. 20.889 million. We have filed appeal against the said orders to CIT (Appeals) where the issue of treating dividend income have been decided in company's favor and issue of super tax against the company. Further, the demand after taking appeal effect has been paid by the company amounting to Rs. 17.265 million. The company has filed appeal with Appellate Tribunal Inland Revenue on the issue of charging super tax.

During the year 2016, the Company received orders under section 122(5A) passed by the Additional Commissioner Inland Revenue for the Tax Years 2015 on issue of treating dividend income as single basket income and to be taxed @ 35% instead of fixed rate of 10% resulting aggregate demand of Rs. 0.936 million which has been paid by the company under protest. The Company has filed appeal against the said orders to CIT (Appeals) which is pending adjudication. It is further submitted that Appeal on similar issue in respect of Tax Year 2014 have been decided in company's favor by the CIT (Appeals).

During the year 2022, the Company received order under section 122(5A) passed by the Additional Commissioner Inland Revenue for the Tax Years 2020 and disallowed the unrealized loss on impairment in value of available for sale securities and certain expenses resulting aggregate demand of Rs. 7,709,028. The Company has filed appeal against the said order to CIT (Appeals) on which Commissioner Inland Revenue passed the remand back order on the issue of allowance of Taxable Capital Loss. The remand back proceedings has been initiated and reply for the same have been submitted and appeal effect order is pending from FBR.

The Company, based on the opinion of its tax advisor, is confident that the ultimate outcome of the appeals will be in its favor. Hence, no provision for the said demands has been made in these financial statements.

### 24.2 Commitments

**Capital work-in-progress**  
Software development

December 31, 2023	December 31, 2022
----- (Rupees) -----	
<u>600,000</u>	<u>600,000</u>

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

## 25. NET INSURANCE PREMIUM

	December 31, 2023	December 31, 2022
	----- (Rupees) -----	
Written Gross premium	1,969,052,906	1,847,248,752
Add : Unearned premium reserve opening	737,791,111	641,585,269
Less: Unearned premium reserve closing	816,790,202	737,791,111
Premium earned	1,890,053,815	1,751,042,910
Less: Reinsurance premium ceded	722,724,893	692,882,151
Add: Prepaid reinsurance premium opening	246,734,602	232,526,948
Less: Prepaid reinsurance premium closing	276,559,169	246,734,602
Reinsurance expense	692,900,326	678,674,497
	1,197,153,489	1,072,368,413

## 26. NET INSURANCE CLAIMS EXPENSE

	Note	December 31, 2023	December 31, 2022
		----- (Rupees) -----	
Claim paid		809,047,995	1,088,149,943
Add : Outstanding claims including IBNR closing	26.1	397,707,648	391,209,002
Less: Outstanding claims including IBNR opening		391,209,002	294,800,833
Claims expense		815,546,641	1,184,558,112
Less: Reinsurance and others recoveries received		196,548,526	552,917,660
Add: Reinsurance and others recoveries in respect of outstanding claims closing		193,897,623	193,417,129
Less: Reinsurance and others recoveries in respect of outstanding claims opening		193,417,129	123,311,654
Reinsurance and other recoveries revenue		197,029,020	623,023,135
		618,517,621	561,534,977

### 26.1 Claim development table

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

Accident year	2018 and prior	2019	2020	2021	2022	2023 (including IBNR)	Total
	----- (Rupees) -----						
Gross estimate of ultimate claims cost:							
- At end of accident	478,393,608	515,439,091	629,502,400	566,282,671	1,154,072,533	832,187,014	4,175,877,317
- One year later	477,929,182	546,114,902	678,949,779	594,761,490	1,189,702,262	-	3,487,457,615
- Two year later	477,579,622	550,168,142	680,160,250	590,764,741	-	-	2,298,672,755
- Three year later	479,020,832	547,577,656	676,560,417	-	-	-	1,703,158,905
- Four year later	475,219,191	546,825,652	-	-	-	-	1,022,044,843
- Five year later	472,263,960	-	-	-	-	-	472,263,960
Current estimate of cumulative claims	472,263,960	546,825,652	676,560,417	590,764,741	1,189,702,262	832,187,014	4,308,304,046
Cumulative payment to date	(436,925,049)	(543,214,091)	(671,449,635)	(581,656,902)	(1,081,628,462)	(595,722,259)	(3,910,596,398)
Liability recognised in statement of financial position	35,338,911	3,611,561	5,110,782	9,107,839	108,073,800	236,464,755	397,707,648

The net provision for IBNR on the basis of the actuarial valuation carried out as at December 31, 2023 amounted to Rs. 40.930 million (December 31, 2022: Rs. 40.966 million).

**27. NET COMMISSION EXPENSE AND ACQUISITION COST**

Note	December 31, 2023	December 31, 2022
	----- (Rupees) -----	
Commission paid or payable	74,621,261	81,237,830
Add : Deferred commission expense opening	31,438,864	28,909,708
Less: Deferred commission expense closing	32,747,815	31,438,864
Net commission	73,312,310	78,708,674
Less: Commission received or recoverable	156,879,721	181,126,187
Add: Unearned Reinsurance commission opening	56,532,968	54,234,596
Less: Unearned Reinsurance commission closing	53,028,033	56,532,968
Commission from reinsurers	160,384,656	178,827,815
	<u>(87,072,346)</u>	<u>(100,119,141)</u>

**28. MANAGEMENT EXPENSES**

Employee benefit cost	28.1	288,437,024	256,959,170
Communications		16,609,436	14,895,829
Printing and stationery		9,058,236	7,053,525
Travelling and entertainment		10,878,936	8,632,547
Repairs and maintenance		6,969,536	7,201,220
Advertisement and sales promotion		2,805,254	6,546,679
Rental for tracking devices		16,139,556	22,135,809
Depreciation		32,030,025	32,638,061
Amortisation		87,420	36,425
Legal and professional charges		1,954,529	2,146,793
Electricity, gas and water		11,665,866	9,896,342
Insurance		4,766,055	4,632,234
Bank charges		1,324,232	1,312,000
Annual supervision fee SECP		2,562,087	2,193,914
Vehicle running expense		5,496,446	4,333,776
Provision / (reversal) against premium due but unpaid - net		(1,176,895)	125,047
Service charges		876,741	3,093,955
Other expenses		3,311,190	6,147,702
		<u>413,795,674</u>	<u>389,981,028</u>

**28.1 Employee benefit cost**

Salaries, wages and benefits		272,060,432	242,283,383
Post employment benefits	28.1.1	16,376,592	14,675,787
		<u>288,437,024</u>	<u>256,959,170</u>

**28.1.1** These include Rs. 9.699 million (2022: Rs. 9.105 million) being contribution for employees' provident fund and Rs. 6.677 million (2022: Rs. 5.571 million) in respect of defined benefit plan.

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

## 29. INVESTMENT INCOME

### Income from equity securities

#### Available-for-sale

- Dividend income

December 31, 2023      December 31, 2022  
----- (Rupees) -----

22,198,788      23,031,409

#### Fair value through profit or loss

- Dividend income

10,017,927      7,280,325

### Income from debt securities

#### Held to maturity

- Return on government securities
- Return on other fixed income securities and deposits

5,978,869      5,790,688

-      3,813,870

5,978,869      9,604,558

#### Available-for-sale

- Return on government securities
- Return on other fixed income securities and deposits

61,775,275      45,646,252

78,112,263      33,163,021

139,887,538      78,809,273

#### Fair value through profit or loss

- Return on government securities

134,560,000      21,092,177

312,643,122      139,817,742

### Net realised gains / (loss) on investments

#### Available for sale

- Gain on sale of equity securities
- Loss on sale of debt securities

98,764,778      65,277,919

(2,107,156)      (197,340)

96,657,622      65,080,579

#### Fair value through profit or loss

- Gain / (loss) on sale of equity securities
- Gain on sale of debt securities

3,748,636      (12,240,437)

5,171,840      409,827

8,920,476      (11,830,610)

### Net unrealised gain / (loss) on investments at fair value through profit and loss

- Equity securities
- Debt securities

31,975,073      (1,496,855)

4,194,995      (2,677,004)

36,170,068      (4,173,859)

### Total investment income

454,391,288      188,893,852

Add : Reversal of impairment in debt securities-Held to Maturity

46,692      62,256

Less: Impairment in value of available for sale securities

-      (2,810,476)

Less: Investment related expenses

(4,497,600)      (3,995,476)

### Investment income

449,940,380      182,150,156

## 30. OTHER INCOME

Return on bank balances

75,741,378      60,973,296

Gain on sale of fixed assets

-      2,335,388

Gain on termination of lease

856,809      1,863,477

Others

343,386      102,783

76,941,573      65,274,944

31.	OTHER EXPENSES	Note	December 31, 2023	December 31, 2022
			----- (Rupees) -----	-----
	Rate and taxes		734,877	519,242
	Fees and subscription		5,882,267	4,963,900
	Legal and professional charges		3,343,384	1,441,733
	Auditor's remuneration	31.1	1,918,042	2,054,287
	Donation	31.2	150,000	500,000
	Security charges		2,204,943	1,842,835
	Loss on sale of fixed assets		574,931	-
	Other expenses		224,159	295,892
	Penalty		-	192,000
			<u>15,032,603</u>	<u>11,809,889</u>
31.1	Auditor's remuneration			
	Statutory audit fee		546,250	546,250
	Half year review		333,250	333,250
	Review of code of corporate governance		149,500	149,500
	Special reports and other certifications		487,600	567,600
			<u>1,516,600</u>	<u>1,596,600</u>
	Sindh sales tax		117,392	134,514
	Out of pocket expenses		284,050	323,173
			<u>1,918,042</u>	<u>2,054,287</u>
31.2	These include donations made by the Company to the Citizan Foundation. None of the directors, sponsor shareholders, key management personnel and their spouses had any interest in the donee.			
32.	TAXATION - NET		December 31, 2023	December 31, 2022
			----- (Rupees) -----	-----
	For current year			
	Current		226,648,085	135,947,211
	Deferred		14,171,324	9,119,328
	Super tax		78,139,512	18,731,339
			<u>318,958,921</u>	<u>163,797,878</u>
	For prior year(s)			
	Super tax		14,247,474	16,001,901
	Prior years tax		-	2,026,787
			<u>14,247,474</u>	<u>18,028,688</u>
			<u>333,206,395</u>	<u>181,826,566</u>
32.1	The Company has filed returns upto tax year 2023. The returns filed for tax years upto 2023 has been finalized.			
32.2	Relationship between tax expense and accounting profit		December 31, 2023	December 31, 2022
			----- (Rupees) -----	-----
	Profit for the year before taxation		830,075,060	495,180,549
	Tax at the applicable rate of 29% (December 31, 2022: 29%)		240,721,767	143,602,359
	Super tax 10%		83,007,506	18,748,836
	Prior years		14,247,474	18,028,688
	Others		(4,770,352)	1,446,683
			<u>333,206,395</u>	<u>181,826,566</u>

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

## 33. EARNINGS PER SHARE - BASIC AND DILUTED

December 31, 2023      December 31, 2022  
----- (Rupees) -----

Profit after tax for the year

496,868,665      313,353,983

----- (Numbers) -----

Weighted average number of ordinary shares

55,326,484      55,326,484

----- (Rupees) -----

Earnings per share - basic and diluted

8.98      5.66

**33.1** No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

## 34. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Chief Executive		Executives	
	2023	2022	2023	2022
	----- (Rupees) -----			
Managerial remuneration	<b>16,468,832</b>	13,000,452	<b>49,250,806</b>	43,821,888
Bonus	<b>3,944,264</b>	3,051,088	<b>12,167,423</b>	10,286,429
Retirement benefits	<b>1,647,460</b>	1,300,620	<b>3,822,639</b>	3,461,185
House rent	<b>7,410,984</b>	5,850,204	<b>22,164,244</b>	19,719,765
Vehicle fuel, repair and maintenance	<b>818,384</b>	561,758	<b>13,380,597</b>	9,496,887
Others	<b>1,656,184</b>	1,309,344	<b>8,159,640</b>	8,354,662
	<b>31,946,108</b>	25,073,466	<b>108,945,349</b>	95,140,816
Number of persons	<b>1</b>	1	<b>22</b>	21

**34.1** Aggregate amount charged in these financial statements in respect of Director's fee for attending Board, Audit Committee and Ethics, Human Resource and Remuneration Committee meetings amounted to Rs. 520,000 (December 31, 2022: Rs. 320,000), Rs. 250,000 (December 31, 2022: Rs. 200,000) and Rs. 40,000 (December 31, 2022: Rs. 50,000) respectively.

**34.2** The Chief Executive and certain executives are also provided with cars for business and personal use in accordance with the Company car scheme.

**34.3** Executives mean employees, other than the chief executive and directors, whose basic salary exceed one million two hundred thousand rupees in a financial year.

## 35. RELATED PARTY TRANSACTIONS

Related parties comprise of group companies, window takaful operations, directors and their close family members, staff retirement funds, key management personnel and major shareholders of the Company. The associated companies are associated either based on equity or due to the same management and / or common directors. All transactions involving related parties arising in the normal course of business are conducted at agreed terms and conditions. Transactions with the key management personnel are made under their terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes.

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

Name of related party	Basis of Relationship	Insurance Premium receivable	Premiums written	Claims paid	Investment in mutual funds	Sales of shares / units of mutual funds	Dividend received	Bonus share received	Bonus share issued	Dividend paid	Software development	Expenses	Retirement Fund
<b>Associated companies / undertaking</b>													
Accuracy Surgical Limited	Common Director	575,936	1,790,405	1,235,613	-	-	-	-	-	-	-	-	-
Alan (Private) Limited	Common Director	-	70,000	-	-	-	-	-	-	-	-	-	-
Anchor Commodities (Private) Limited	Common Director	515,009	2,629,441	1,276,036	-	-	-	-	-	-	-	-	-
Baluchistan Polyproducts (Private) Limited	Common Director	-	12,231	-	-	-	-	-	-	-	-	-	-
Caraway (Private) Limited	Common Director	61,788	212,261	-	-	-	-	-	-	-	-	-	-
Century Paper & Board Mills Limited	Common Director	60,775,595	190,754,942	24,775,947	-	-	-	764,458	-	-	-	3,319,017	-
Colgate Palmolive (Pakistan) Limited	Common Director	85,848,687	421,264,661	103,994,204	-	-	2,848,049	58,500	-	-	-	363,000	-
Concave Ventures (Private) Limited	Common Director	-	(274,146)	1,421,463	-	-	-	-	-	-	-	-	-
Concave Digital Solutions (Private) Limited	Common Director	146,219	222,950	27,600	-	-	-	-	-	-	-	-	-
Concave Agri Services (Private) Limited	Common Director	303,303	360,327	59,045	-	-	-	-	-	-	-	-	-
Concave Technology Solutions (Private) Limited	Common Director	101,673	129,337	-	-	-	-	-	-	-	-	-	-
Cyber Internet Services (Private) Limited	Common Director	41,816,952	115,305,892	50,495,409	-	-	-	-	-	-	-	1,765,302	-
Fly Jimnah Services (Pvt) Ltd.	Common Director	-	58,701,293	4,138,256	-	-	-	-	-	-	-	-	-
GAM Corporation (Private) Limited	Common Director	-	(6,428,342)	3,989,605	-	-	-	-	-	-	-	-	-
Hasanali and Gulzaroo Lakhani Foundation	Trustee	298,185	1,872,148	2,242,865	-	-	-	-	-	-	-	1,096,774	-
ICE Animations (Private) Limited	Common Director	1,853,688	2,933,739	2,324,956	-	-	-	-	-	-	-	-	-
Lakson Business Solution Limited	Common Director	2,663,008	2,716,913	2,039,887	-	-	-	-	-	-	-	5,217,747	-
Lakson Investments Limited	Common Director	-	4,707,035	3,190,364	-	-	-	-	-	-	-	2,761,148	-
Lakson Income Fund	Common Director	-	-	-	-	5,993,905	-	-	-	-	-	-	-
Lakson Money Market Fund	Common Director	-	-	-	1,905,601,507	1,915,563,024	-	-	-	-	-	-	-
Lakson Medical Trust	Trustee	31,600	120,106	26,239	-	-	-	-	-	-	-	-	-
Merit Packaging Limited	Common Director	-	23,219,362	2,854,068	-	-	-	-	-	-	-	-	-
Naya Pay (Pvt) Ltd.	Common Director	2,943,943	6,452,646	3,744,691	-	-	-	-	-	-	-	-	-
Orthopedic And Medical Institute (Pvt) Ltd.	Common Director	-	5,289,664	50,697	-	-	-	-	-	-	-	-	-
Premier Fashions (Private) Limited	Common Director and 28.96% shares held	-	24,964	-	-	-	-	-	-	40,053,400	-	1,051,768	-
Pincaton Travels (Private) Limited	Common Director	349,640	476,032	114,710	-	-	-	-	-	-	-	-	-
Siza (Private) Limited	Common Director and 14.23% shares held	157,836	1,392,599	168,386	-	-	-	-	-	19,682,743	-	3,324,048	-
Siza Commodities (Private) Limited	Common Director and 9.93% shares held	117,161	282,741	344,582	-	-	-	-	-	13,731,033	-	53,680	-
Siza Foods (Private) Limited	Common Director	96,131,139	113,714,488	29,236,595	-	-	-	-	-	-	-	-	-
Siza Services (Private) Limited	Common Director and 23.56% shares held	1,024,254	4,859,663	3,320,808	-	-	-	-	-	32,593,388	-	9,400,576	-
Sybird (Private) Limited	Common Director	16,288,736	27,611,072	20,581,614	-	-	-	-	-	-	-	710,114	-
<b>Others</b>													
Ajnomoto Lakson Pakistan (Private) Ltd	Common Management	-	500,007	1,066,594	-	-	-	-	-	-	-	-	-
Express Publication (Private) Limited	Common Management	22,464,140	47,172,726	23,346,884	-	-	-	-	-	-	-	857,525	-
Express Digital (Private) Limited	Common Management	-	3,458,606	2,526,947	-	-	-	-	-	-	-	-	-
Matrix Press (Private) Limited	Common Management	-	(174,264)	-	-	-	-	-	-	-	-	-	-
Misha Fashion (Private) Limited	Common Management	3,561	457,766	-	-	-	-	-	-	-	-	-	-
Printek (Private) Limited	Common Management	-	385,200	-	-	-	-	-	-	-	-	-	-
Reliance Chemicals (Pvt) Limited	Common Management	50,118	85,446	-	-	-	-	-	-	-	-	-	-
Television Media Network (Private) Limited	Common Management	46,156,673	48,582,355	24,603,563	-	-	-	-	-	-	-	-	-
Century Insurance Window Takatuli Operations	Common Management	-	-	-	-	-	-	-	-	-	-	29,170,310	-
<b>Director, Chief Executive, their spouses and relatives</b>													
<b>Key management personnel</b>													
<b>Retirement benefit plans</b>													
Contribution to staff provident fund													
Contribution to staff gratuity fund													
<b>December 31, 2023</b>		<b>380,786,520</b>	<b>1,084,816,748</b>	<b>314,672,763</b>	<b>1,905,601,507</b>	<b>1,921,556,929</b>	<b>2,848,049</b>	<b>822,958</b>	<b>-</b>	<b>106,158,434</b>	<b>-</b>	<b>59,091,019</b>	<b>17,421,906</b>
<b>December 31, 2022</b>		<b>385,021,052</b>	<b>948,596,965</b>	<b>259,399,092</b>	<b>910,020,588</b>	<b>1,026,339,615</b>	<b>1,405,635</b>	<b>90,886</b>	<b>3,860,357</b>	<b>86,858,146</b>	<b>600,000</b>	<b>32,601,236</b>	<b>14,675,787</b>

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

## 36. SEGMENT INFORMATION

Segment information is prepared in accordance with the requirements of the Insurance Ordinance, 2000 and the Insurance Rules, 2017 for class wise revenues, results, assets and liabilities.

	December 31, 2023					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Total
	(Rupees)					
Premium received / receivable (inclusive of Sales tax / Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	562,160,107	538,142,201	472,223,891	546,669,777	101,323,338	2,220,519,314
Less: - Federal Excise Duty / Sales Tax	71,449,965	56,676,518	58,849,054	10,170,201	12,473,358	209,619,096
- Federal Insurance Fee	4,871,579	4,524,215	4,115,030	5,613,103	895,313	20,019,240
- Others	69,500	24,899,559	332,750	16,850	34,050	25,352,709
Facultative inward premium	3,288,068	-	135,222	-	101,347	3,524,637
Gross written premium (inclusive of Administrative surcharge)	489,057,131	452,041,909	409,062,279	530,869,623	88,021,964	1,969,052,906
- Gross direct premium	484,260,708	444,246,535	399,821,095	530,525,180	87,293,571	1,946,147,089
- Facultative inward premium	3,288,068	-	135,222	-	101,347	3,524,637
- Administrative surcharge	1,508,355	7,795,374	9,105,962	344,443	627,046	19,381,180
	489,057,131	452,041,909	409,062,279	530,869,623	88,021,964	1,969,052,906
Insurance premium earned	457,962,462	439,828,991	404,056,093	500,209,577	87,996,692	1,890,053,815
Insurance premium ceded to reinsurers	(409,587,443)	(209,289,640)	(15,916,835)	(2,120,396)	(55,986,012)	(692,900,326)
Net Insurance premium	48,375,019	230,539,351	388,139,258	498,089,181	32,010,680	1,197,153,489
Commission income	80,869,125	64,171,592	627,242	614,914	14,101,783	160,384,656
<b>Net underwriting income</b>	129,244,144	294,710,943	388,766,500	498,704,095	46,112,463	1,357,538,145
Insurance claims	(116,541,632)	(61,516,055)	(190,422,804)	(420,123,322)	(26,942,828)	(815,546,641)
Insurance claims recovered from reinsurers	114,597,573	38,347,035	21,575,244	-	22,509,168	197,029,020
Net claims	(1,944,059)	(23,169,020)	(168,847,560)	(420,123,322)	(4,433,660)	(618,517,621)
Commission expense	(14,054,107)	(25,197,999)	(23,133,787)	(7,360,036)	(3,566,381)	(73,312,310)
Management expense	(102,775,159)	(94,996,425)	(85,964,273)	(111,562,037)	(18,497,780)	(413,795,674)
<b>Net insurance claims and expenses</b>	(118,773,325)	(143,363,444)	(277,945,620)	(539,045,395)	(26,497,821)	(1,105,625,605)
<b>Underwriting results</b>	<b>10,470,819</b>	<b>151,347,499</b>	<b>110,820,880</b>	<b>(40,341,300)</b>	<b>19,614,642</b>	<b>251,912,540</b>
Investment income						449,940,380
Other income						76,941,573
Other expense						(15,032,603)
Finance costs - lease liabilities						(3,767,436)
Share of profit of associates						9,563,620
Profit from Window Takaful Operations						60,516,986
<b>Profit before tax for the year</b>						<b>830,075,060</b>
<b>Segment assets</b>	<b>593,767,001</b>	<b>219,486,239</b>	<b>188,480,566</b>	<b>224,842,393</b>	<b>101,455,103</b>	<b>1,328,031,302</b>
Unallocated corporate assets						3,520,615,727
Unallocated assets of Window Takaful Operation - Operator's Fund						223,551,545
<b>Total assets</b>						<b>5,072,198,574</b>
<b>Segment liabilities</b>	<b>607,261,568</b>	<b>211,306,359</b>	<b>415,680,586</b>	<b>512,783,199</b>	<b>121,246,609</b>	<b>1,868,278,320</b>
Unallocated corporate liabilities						300,674,811
Unallocated liabilities of Window Takaful Operation - Operator's Fund						80,177,541
<b>Total liabilities</b>						<b>2,249,130,672</b>

	December 31, 2022					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Aggregate
	(Rupees)					
Premium received / receivable (inclusive of Sales tax / Federal Excise Duty, Federal Insurance Fee and Administrative Surcharge)	529,659,653	516,212,731	461,757,018	457,186,440	101,156,761	2,065,972,603
Less: - Federal Excise Duty / Sales Tax	63,656,961	55,228,257	54,968,218	6,003,210	12,235,312	192,091,958
- Federal Insurance Fee	4,621,805	4,314,137	4,037,024	4,741,861	880,869	18,595,696
- Others	83,750	25,843,589	364,400	12,800	43,350	26,347,889
Facultative inward premium	15,938,628	569,094	1,135,132	-	668,838	18,311,692
Gross written premium (inclusive of Administrative surcharge)	477,235,765	431,395,842	403,522,508	446,428,569	88,666,068	1,847,248,752
- Gross direct premium	459,568,303	422,568,561	392,851,413	446,068,338	87,247,811	1,808,304,426
- Facultative inward premium	15,938,628	569,094	1,135,132	-	668,838	18,311,692
- Administrative surcharge	1,728,834	8,258,187	9,535,963	360,231	749,419	20,632,634
	477,235,765	431,395,842	403,522,508	446,428,569	88,666,068	1,847,248,752
Insurance premium earned	459,265,675	434,296,466	392,942,485	390,147,849	74,390,435	1,751,042,910
Insurance premium ceded to reinsurers	(430,866,969)	(181,744,966)	(12,525,974)	(837,956)	(52,698,632)	(678,674,497)
Net Insurance premium	28,398,706	252,551,500	380,416,511	389,309,893	21,691,803	1,072,368,413
Commission income	91,981,756	72,104,277	406,461	241,770	14,093,551	178,827,815
<b>Net underwriting income</b>	120,380,462	324,655,777	380,822,972	389,551,663	35,785,354	1,251,196,228
Insurance claims	(485,359,558)	(119,415,109)	(222,186,153)	(328,714,520)	(28,882,772)	(1,184,558,112)
Insurance claims recovered from reinsurers	470,389,472	82,034,138	49,472,704	200,000	20,926,821	623,023,135
Net claims	(14,970,086)	(37,380,971)	(172,713,449)	(328,514,520)	(7,955,951)	(561,534,977)
Commission expense	(25,407,593)	(23,579,987)	(21,640,314)	(4,635,020)	(3,445,760)	(78,708,674)
Management expense	(100,751,398)	(91,073,925)	(85,189,459)	(94,247,552)	(18,718,694)	(389,981,028)
<b>Net insurance claims and expenses</b>	(141,129,077)	(152,034,883)	(279,543,222)	(427,397,092)	(30,120,405)	(1,030,224,679)
<b>Underwriting results</b>	(20,748,615)	172,620,894	101,279,750	(37,845,429)	5,664,949	220,971,549
Investment income						182,150,156
Other income						65,274,944
Other expense						(11,809,889)
Finance costs - lease liabilities						(4,730,239)
Share of profit of associates						8,280,916
Profit from Window Takaful Operations						35,043,112
<b>Profit before tax for the year</b>						495,180,549
<b>Segment assets</b>	563,132,909	206,992,396	187,406,236	189,797,164	99,233,507	1,246,562,212
Unallocated corporate assets						2,863,820,942
Unallocated assets of Window Takaful Operation - Operator's Fund						171,977,536
<b>Total assets</b>						4,282,360,690
<b>Segment liabilities</b>	513,672,633	137,692,344	364,057,257	376,201,256	115,778,500	1,507,401,987
Unallocated corporate liabilities						279,445,089
Unallocated liabilities of Window Takaful Operation - Operator's Fund						66,505,955
<b>Total liabilities</b>						1,853,353,031

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For the year ended December 31, 2023

## 37. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through profit and loss	Total
	(Rupees)			
<b>At beginning of previous year</b>	54,633,134	1,566,883,227	186,285,090	1,807,801,451
Additions	-	4,734,412,713	962,878,028	5,697,290,741
Disposals (sales and redemptions)	(25,000,000)	(4,684,712,396)	(666,739,518)	(5,376,451,914)
Fair value net gain / (loss) (excluding net realised gains / losses)	-	31,017,861	(16,414,295)	14,603,566
Amortisation of discount	155,247	29,531,274	2,969,778	32,656,299
<b>At beginning of current year</b>	29,788,381	1,677,132,679	468,979,083	2,175,900,143
Additions	-	6,974,507,070	982,058,954	7,956,566,024
Disposals (sales and redemptions)	-	(7,156,976,369)	(395,827,866)	(7,552,804,235)
Fair value net gain (excluding net realised gains / losses)	-	113,652,930	45,090,545	158,743,475
Amortisation of discount	39,197	47,516,971	7,033,800	54,589,968
	<b>29,827,578</b>	<b>1,655,833,281</b>	<b>1,107,334,516</b>	<b>2,792,995,375</b>

## 38. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

### 38.1 Insurance Risk

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

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

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

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

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

#### **(a) Frequency and severity of claims**

Political, environmental, economical and climatic changes give rise to more frequent and severe extreme events (for example, fire, theft, steal, riot and strike, explosion, earthquake, atmospheric damage, hurricanes, typhoons, river flooding, electric fluctuation, terrorism, war risk, damages occurring in inland transit, burglary, loss of cash in safe and cash in transit, travel and personal accident, money losses, engineering losses and other events) and their consequences (for example, subsidence claims). For certain contracts, the Company has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

Insurance contracts which is divided into direct and facultative arrangements are further subdivided into five segments: fire, marine, motor, accident and health and miscellaneous. The insurance risk arising from these contracts is concentrated in the territories in which the Company operates, and there is a balance between commercial and personal properties / assets in the overall portfolio of insured properties / assets. The Company underwrites insurance contract in Pakistan. The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

- The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. The Company has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation). The claims payments are limited to the extent of sum insured on occurrence of the insured event.
- The Company has entered into reinsurance cover / arrangements, with local and foreign reinsurers having good credit rating by reputable rating agencies, to reduce its exposure to risks and resulting claims. Keeping in view the maximum exposure in respect of key zone aggregates, a number of proportional and non-proportional facultative reinsurance arrangements are in place to protect the net account in case of a major catastrophe. The effect of such reinsurance arrangements is that the Company recovers the share of claims from reinsurers thereby reducing its exposure to risk. Apart from the adequate event limit which is a multiple of the treaty capacity or the primary recovery from the proportional reinsurance arrangements, any loss over and above the said limit would be recovered under non-proportional treaty which is very much in line with the risk management philosophy of the Company.

In compliance of the regulatory requirement, the reinsurance agreements are duly approved by Securities and Exchange Commission of Pakistan (SECP) on an annual basis.

- The Company has claims department dealing with the mitigation of risks surrounding claims incurred whether reported or not. This department investigates and settles all claims based on surveyor's report / assessment. The unsettled claims are reviewed individually at least semi-annually and adjusted to reflect the latest information on the underlying facts, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

#### **(b) Sources of uncertainty in the estimation of future claims payments**

Claims reported and otherwise are analysed separately. The development of large losses / catastrophes is analysed separately. The shorter settlement period for claims allows the Company to achieve a higher degree of certainty about the estimated cost of claims including IBNR. However, the longer time needed to assess the emergence of a subsidence claim makes the estimation process more uncertain for these claims.

# Notes to and Forming part of the Financial Statements

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The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value, reinsurance and other recoveries. The Company takes all reasonable steps uncertainty in establishing claims provisions, it is likely that the final outcome may be different from the original liability established. The liability comprises amount in relations to unpaid reported claims, claims incurred but not reported (IBNR), expected claims settlement costs and a provision for unexpired risks at the end of the reporting period.

Liability in respect of outstanding claims is based on the best estimate of the claims intimated or assessed. In calculating the estimated costs of unpaid claims (both reported and non reported), the Company estimation technique is based upon actual claims experience using predetermined basis where greater weight is given to actual claims experience as time passes.

In estimating the liability for the costs of reported claims not yet paid, the Company considers any information available from surveyor's assessment and information on the cost of settling claims with similar characteristics in previous periods. Claims are assessed on a case-by-case basis separately.

## (c) Process used to decide on assumptions

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

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

The actuary determines adequacy of liability of premium deficiency by carrying out analysis of its loss ratio of expired periods of the contracts. For this purpose average loss ratio of last three years inclusive of claim settlement cost are taken into consideration to determine ultimate loss ratio to be applied on unearned premium.

The assumed net of reinsurance loss for each class of business estimation of premium deficiency reserve is as follows:

	2023	2022
	-----	-----
Class	%	%
Fire and property damage	21	27
Marine, aviation and transport	12	13
Motor	45	42
Accident and health	85	82
Miscellaneous	25	49

## (d) Changes in assumptions

The Company did not change its assumptions as disclosed in (b) and (c) above.

### (e) Sensitivity Analysis

The analysis of exposure described in paragraph (c) above is also used to test the sensitivity of the selected assumptions to changes in the key underlying factors. Assumptions of different levels have been used to assess the relative severity of subsidence claims given past experience. The key material factor in the Company's exposure to subsidence claims is the risk of more permanent changes in geographical location in which Company is exposed.

The risks associated with the insurance contracts are complex and subject to a number of variables techniques based on past claims development experience. This includes indications such as average claims cost, ultimate claims numbers and expected loss ratios. The Company considers that the liability for insurance claims recognised in the balance sheet is adequate as the Company generally deals in short tail insurance contracts. However, actual experience will differ from the expected outcome.

As the Company enters into short term insurance contracts, it does not assume any significant impact of changes in market conditions on unexpired risks. However, results of sensitivity testing assuming 10% change in the claim incidence net of recoveries showing effect on underwriting results and shareholders' equity is set out below.

	<b>Underwriting results</b>		<b>Shareholders' equity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	----- (Rupees) -----			
<b>Impact of change in claim liabilities by +10%</b>				
Fire and property damage	<b>(194,406)</b>	(1,497,009)	<b>(118,588)</b>	(1,002,996)
Marine, aviation and transport	<b>(2,316,902)</b>	(3,738,097)	<b>(1,413,310)</b>	(2,504,525)
Motor	<b>(16,884,756)</b>	(17,271,345)	<b>(10,299,701)</b>	(11,571,801)
Accident and health	<b>(42,012,332)</b>	(32,851,452)	<b>(25,627,523)</b>	(22,010,473)
Miscellaneous	<b>(443,366)</b>	(795,595)	<b>(270,453)</b>	(533,049)
	<b>(61,851,762)</b>	(56,153,498)	<b>(37,729,575)</b>	(37,622,844)
<b>Impact of change in claim liabilities by -10%</b>				
Fire and property damage	<b>194,406</b>	1,497,009	<b>118,588</b>	1,002,996
Marine, aviation and transport	<b>2,316,902</b>	3,738,097	<b>1,413,310</b>	2,504,525
Motor	<b>16,884,756</b>	17,271,345	<b>10,299,701</b>	11,571,801
Accident and health	<b>42,012,332</b>	32,851,452	<b>25,627,523</b>	22,010,473
Miscellaneous	<b>443,366</b>	795,595	<b>270,453</b>	533,049
	<b>61,851,762</b>	56,153,498	<b>37,729,575</b>	37,622,844

The insurance claim liabilities are sensitive to the incidence of insured events and severity / size of claims. The impact of variation in incidence of insured events on gross claim liabilities, net claim liabilities, profit before tax and equity is as follows:

<b>Average claim costs</b>	<b>Change in assumption</b>	<b>Impact on gross liabilities</b>	<b>Impact on net liabilities</b>	<b>Impact on profit before tax</b>	<b>Impact on equity</b>
		----- (Rupees) -----			
<b>2023</b>	<b>± 10%</b>	<b>81,554,664</b>	<b>61,851,762</b>	<b>61,851,762</b>	<b>37,729,575</b>
<b>2022</b>	<b>± 10%</b>	<b>118,455,811</b>	<b>56,153,498</b>	<b>56,153,498</b>	<b>37,622,844</b>

### (f) Concentration of insurance risk

A concentration of risk may also arise from a single insurance contract issued to a particular type of policyholder, within a geographical location or to types of commercial business. The Company minimizes its exposure to significant losses by obtaining reinsurance from a number of reinsurers who are dispersed over several geographical regions.

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To optimise benefits from the principle of average and the law of large numbers, geographical spread of risk is of extreme importance. There are a number of parameters which are significant in assessing the accumulation of risks with reference to the geographical location, the most important of which is risk survey.

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

Class	Maximum Gross Risk Exposure	
	2023	2022
	----- (Rupees in 000) -----	
Fire and property damage	14,058,227	14,796,210
Marine, aviation and transport	500,451,257	59,800,000
Motor	42,000	40,000
Accident and health	1,000	1,000
Miscellaneous	6,127,554	4,864,331

The reinsurance arrangements against major risk exposure include excess of loss, surplus arrangements, stop loss and catastrophic coverage.

The objective of having such arrangements is to mitigate adverse impacts of severe losses on Company's net retentions. As the major reinsurance arrangements are on excess of loss basis, therefore the reinsurance coverage against Company's risk exposures is not quantifiable.

## (g) Reinsurance Risk

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

To minimise its exposure to significant losses from reinsurer insolvencies, the Company obtains reinsurance rating from a number of reinsurers, who are dispersed over several geographical regions.

An analysis of all reinsurance assets recognised by the rating of the entity from which it is due is as follows:

Rating	Reinsurance recoveries against outstanding claims	
	2023	2022
	----- (Rupees) -----	
A or above including Pakistan Reinsurance Company Limited	85,986,894	124,889,176
BBB	30,000	30,000
	<b>86,016,894</b>	<b>124,919,176</b>

## 38.2 Financial risk management objectives and policies

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Liquidity risk
- Credit risk

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by in-house Internal Audit function. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### 38.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial Instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, equity prices and units prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All transactions are carried In Pak Rupees therefore, the Company is not exposed to currency risk. However, the Company is exposed to interest rate risk and equity / units price risk. The Company manages the market risk exposure by following internal risk management policies.

#### 38.2.1.1 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 deposits that are subject to interest / mark-up rate risk. The Company limits interest / mark-up rate risk by monitoring changes on 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 whichever is earlier is as follows:

	Effective rate % per annum	2023				Non-interest / mark-up bearing financial instruments	Total
		Interest / mark-up bearing financial instruments			Sub total		
		Maturity upto one year	Maturity over one year to five years	Maturity more than five years			
----- (Rupees) -----							
Financial assets							
Investments in associates		-	-	-	-	73,966,924	73,966,924
Investments							
Equity securities / Mutual funds		-	-	-	-	941,604,326	941,604,326
Debt securities	8.00 - 24.31	618,118,275	979,544,576	253,728,198	1,851,391,049	-	1,851,391,049
Loans and other receivables		-	-	-	-	86,800,368	86,800,368
Insurance / reinsurance receivables		-	-	-	-	822,041,695	822,041,695
Reinsurance recoveries against outstanding claims		-	-	-	-	193,897,623	193,897,623
Cash and bank	20.50 - 21.50	410,209,467	-	-	410,209,467	26,138,290	436,347,757
Total assets of Window Takaful Operations - Operator's Fund		14,721,012	-	-	14,721,012	200,997,370	215,718,382
		1,043,048,754	979,544,576	253,728,198	2,276,321,528	2,345,446,596	4,621,768,124
Financial liabilities							
Outstanding claims including IBNR		-	-	-	-	397,707,648	397,707,648
Insurance / reinsurance payables		-	-	-	-	593,491,964	593,491,964
Other creditors and accruals		-	-	-	-	119,907,735	119,907,735
Total liabilities of Window Takaful Operations - Operator's Fund		-	-	-	-	20,222,254	20,222,254
		-	-	-	-	1,131,329,601	1,131,329,601
Interest risk sensitivity gap		1,043,048,754	979,544,576	253,728,198	2,276,321,528	1,214,116,995	3,490,438,523
Cumulative interest risk sensitivity gap		1,043,048,754	2,022,593,330	2,276,321,528			

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

		2022					
	Effective rate % per annum	Interest / mark-up bearing financial instruments			Sub total	Non-interest / mark-up bearing financial instruments	Total
		Maturity upto one year	Maturity over one year to five years	Maturity more than five years			
		(Rupees)					
<b>Financial assets</b>							
Investments in associates		-	-	-	-	67,361,755	67,361,755
<b>Investments</b>							
Equity securities		-	-	-	-	1,083,820,780	1,083,820,780
Debt securities	8.00 - 17.97	364,241,460	376,812,651	351,025,252	1,092,079,363	-	1,092,079,363
Loans and other receivables		-	-	-	-	37,308,181	37,308,181
Insurance / reinsurance receivables		-	-	-	-	766,758,124	766,758,124
Reinsurance recoveries against outstanding claims		-	-	-	-	193,417,129	193,417,129
Cash and bank	8.25 - 14.75	404,730,810	-	-	404,730,810	21,345,169	426,075,979
Total assets of Window Takaful							
Operations - Operator's Fund		6,240,537	-	-	6,240,537	158,937,650	165,178,187
		775,212,807	376,812,651	351,025,252	1,503,050,710	2,328,948,788	3,831,999,498
<b>Financial liabilities</b>							
Outstanding claims including IBNR		-	-	-	-	391,209,002	391,209,002
Insurance / reinsurance payables		-	-	-	-	317,525,344	317,525,344
Other creditors and accruals		-	-	-	-	120,136,985	120,136,985
Total liabilities of Window Takaful							
Operations - Operator's Fund		-	-	-	-	22,718,850	22,718,850
		-	-	-	-	851,590,181	851,590,181
<b>Interest risk sensitivity gap</b>							
		775,212,807	376,812,651	351,025,252	1,503,050,710	1,477,358,607	2,980,409,317
<b>Cumulative interest risk sensitivity gap</b>							
		775,212,807	1,152,025,458	1,503,050,710			

## Cash flow sensitivity analysis of variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax and equity based upon average balances and rates:

	Increase / (decrease) in basis points	Effect on profit before tax (Rupees)	Effect on equity
<b>December 31, 2023</b>	100 (100)	18,792,053 (18,792,053)	11,463,153 (11,463,153)
December 31, 2022	100 (100)	13,919,362 (13,919,362)	9,465,166 (9,465,166)

## Fair value sensitivity analysis for fixed rate instruments

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

## Price risk

Price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The price risk exposure arises from the Company's investments in equity securities and units of mutual funds. This arises from investments held by the Company for which prices in the future are uncertain. The Company policy is to manage price risk through diversification and selection of securities and investment in different categories of mutual funds within specified limits set by internal risk management guidelines. A summary analysis of investments is disclosed in note 10 to these financial statements.

The management monitors the fluctuations of prices on regular basis. The Company also has necessary skills for monitoring and managing the equity portfolio in line with fluctuations of the market and also monitor fluctuation in unit prices through a related party as disclosed in note 35. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security / units may be affected by the relative quantity of the security / units being sold.

The following table summarizes the Company's price risk as at December 31, 2023 and as at December 31, 2022. It shows the effects of an estimated increase of 10% in the market prices as on those dates. A decrease of 10% in the fair values of the quoted securities would affect it in a similar and opposite manner:

	Fair value ---- (Rupees) ----	Price change	Effect on fair value --- (Rupees) ---
<b>December 31, 2023</b>	<b>941,604,326</b>	<b>+10%</b>	<b>94,160,433</b>
	<b>(941,604,326)</b>	<b>-10%</b>	<b>(94,160,433)</b>
December 31, 2022	1,083,745,497	+10%	108,374,550
	(1,083,745,497)	-10%	(108,374,550)

### 38.2.1.2 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. At present, the Company, is not exposed to foreign currency risk.

### 38.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected operational requirements. The Company also manages this risk by investing in deposit accounts that can be readily encashed.

The table below summarises the maturity profile of the Company's financial liabilities. The contractual maturities of these liabilities at the year end have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which these liabilities will be settled.

	2023			
	Within one year	Over one year to five years	Over five years	Total
	----- (Rupees) -----			
<b>Financial liabilities</b>				
Outstanding claims including IBNR	397,707,648	-	-	397,707,648
Insurance / reinsurance payables	593,491,964	-	-	593,491,964
Other creditors and accruals	119,907,735	-	-	119,907,735
Total liabilities of Window Takaful				
Operations - Operator's Fund	20,222,254	-	-	20,222,254
	<b>1,131,329,601</b>	<b>-</b>	<b>-</b>	<b>1,131,329,601</b>

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

	2022			Total
	Within one year	Over one year to five years	Over five years	
	(Rupees)			
<b>Financial liabilities</b>				
Outstanding claims including IBNR	391,209,002	-	-	391,209,002
Insurance / reinsurance payables	317,525,344	-	-	317,525,344
Other creditors and accruals	136,622,609	-	-	136,622,609
Total liabilities of Window Takaful Operations - Operator's Fund	22,718,850	-	-	22,718,850
	<u>868,075,805</u>	<u>-</u>	<u>-</u>	<u>868,075,805</u>

## 38.2.3 Credit Risk

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

### 38.2.3.1 Concentration of credit risk and credit exposure of the financial instruments

Credit risk of the Company arises principally from the bank balances, investments (except for investment in associates and government securities), premium due but unpaid, amount due from other insurers / reinsurers, reinsurance recoveries. To reduce the credit risk the Company has developed a formal approval process whereby credit limits are applied to its policyholders and other insurers / reinsurers. The management continuously monitors the credit exposure towards the policyholders and other insurers / reinsurers and makes provision against those balances considered doubtful of recovery. The balance is written off when the Company expects it cannot recover the balance due. The movement in the provision for doubtful debt is shown in notes 13.4 and 13.5 to these financial statements.

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

	<b>December 31, 2023</b>	December 31, 2022
	(Rupees)	
Cash and bank	<b>433,075,335</b>	423,458,584
Investments	<b>1,171,003,058</b>	1,211,960,910
Insurance / reinsurance receivable	<b>822,041,695</b>	766,758,124
Reinsurance recoveries against outstanding claims	<b>193,897,623</b>	193,417,129
Loans and receivables	<b>86,800,368</b>	41,991,024
Total assets of Window Takaful Operations - Operator's Fund	<b>215,718,382</b>	165,188,187
	<u><b>2,922,536,461</b></u>	<u>2,802,773,958</u>

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

<b>Bank</b>	<b>Long term rating</b>	<b>Rating agency</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
			----- (Rupees) -----	-----
Standard Chartered Bank (Pakistan) Limited	AAA	PACRA	<b>7,267,231</b>	6,956,924
Habib Bank Limited	AAA	VIS	<b>17,126,690</b>	14,687,737
United Bank Limited	AAA	VIS	<b>22,222,910</b>	15,665,972
Askari Bank Limited	AA+	PACRA	<b>150,817</b>	562,202
Bank Alfalah Limited	AA+	PACRA	<b>24,307,826</b>	1,854,874
Habib Metropolitan Bank Limited	AA+	PACRA	<b>157,140,322</b>	167,061,489
Soneri Bank Limited	AA-	PACRA	<b>199,010,385</b>	191,764,845
Telenor Microfinance Bank	A	PACRA	<b>116,599</b>	116,599
MCB Islamic Bank Limited	A	PACRA	<b>-</b>	1,461
NRSP Microfinance Bank Limited	A-	VIS	<b>39,087</b>	35,382
U Microfinance Bank Limited	A+	VIS	<b>18,013</b>	720,316
Silk Bank Limited	A-	VIS	<b>5,675,455</b>	24,030,783
			<b>433,075,335</b>	423,458,584

The credit quality of Company's investment in term finance certificates can be assessed with reference to external credit ratings as follows:

<b>Sukuk / Term Finance Certificate</b>	<b>Long term rating</b>	<b>Rating agency</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
			----- (Rupees) -----	-----
Dubai Islamic Bank Pakistan Limited	A+	VIS	<b>25,000,000</b>	25,000,000
Bank Al Habib Limited	AAA	PACRA	<b>106,204,665</b>	104,832,000
Soneri Bank Limited	A	PACRA	<b>20,000,000</b>	20,000,000
JS Bank Limited	A+	PACRA	<b>52,957,600</b>	53,560,720
NSRP Microfinance Bank Limited	A-	VIS	<b>15,000,000</b>	15,000,000
Samba Bank Limited	AA-	PACRA	<b>149,630,586</b>	-
			<b>368,792,851</b>	218,392,720

The credit quality of amount due from other insurer's (gross of provisions) and reinsurer's can be assessed with reference to external rating as disclosed in note 38.1 (g).

### 39. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

In accordance with SECP Circular no. 225 of 2015 of Securities and Exchange Commission of Pakistan (SECP), minimum paid-up capital requirement to be complied with by Insurance / Takaful companies as at December 31, 2017 and subsequent year is Rs. 500 million. As at December 31, 2023 the Company's paid-up capital is in excess of the prescribed limit.

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

## 40. STATEMENT OF SOLVENCY

### Assets

	December 31, 2023	December 31, 2022
	----- (Rupees) -----	
Property and equipment	100,890,307	121,843,946
Intangible assets	747,250	840,250
Investment in associates	73,966,924	67,361,755
Investments		
Equity securities	1,045,991,234	1,172,405,367
Debt securities	1,851,391,049	1,092,079,363
Loan and other receivable	101,121,992	48,548,355
Insurance / reinsurance receivable	889,024,115	814,835,439
Reinsurance recoveries against outstanding claims	210,935,944	226,652,726
Salvage recoveries accrued	2,785,000	8,213,493
Deferred commission expense	69,947,488	64,000,327
Deferred taxation	1,941,781	21,041,768
Retirement benefit obligations	14,059,440	-
Prepayments	319,873,090	276,791,759
Cash and bank	498,359,065	473,061,600
Total assets of Window Takaful Operations - Operator's fund	223,551,545	171,977,536
<b>Total assets (A)</b>	<b>5,404,586,224</b>	<b>4,559,653,684</b>

In-admissible assets as per following clauses section 32(2) of Insurance Ordinance, 2000.

Property and equipment	100,890,307	121,843,946
Intangible assets	747,250	840,250
Investments	561,196,804	538,547,520
Loan and other receivable	12,820,607	6,131,185
Insurance / reinsurance receivable	448,393,247	451,203,965
Security deposits against bond insurance	16,848,806	32,231,144
Deferred taxation	1,941,781	21,041,768
Retirement benefit obligations	14,059,440	-
Total assets of Window Takaful Operations - Investment	29,822,667	-
<b>Total of In-admissible assets</b>	<b>1,186,720,909</b>	<b>1,171,839,778</b>

### Liabilities

Underwriting Provisions		
Outstanding claims including IBNR	455,736,465	464,860,768
Unearned premium reserve	917,250,172	821,588,426
Unearned reinsurance commission	60,722,709	61,797,853
Retirement benefit obligations	-	18,659,835
Premiums received in advance	9,324,899	5,834,691
Insurance / reinsurance payables	638,610,478	355,913,274
Other creditors and accruals	166,347,381	218,863,142
Taxation - provision less payments	136,226,166	85,084,215
Total liabilities of Window Takaful Operations - Operator's fund	80,177,541	66,505,955
<b>Total liabilities</b>	<b>2,464,395,811</b>	<b>2,099,108,159</b>

### Total Net Admissible Assets

<b>1,753,469,504</b>	<b>1,288,705,747</b>
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### Minimum solvency requirement (higher of following)

<b>265,813,616</b>	<b>237,426,246</b>
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- Method A - U/s 36(3)(a)	150,000,000
- Method B - U/s 36(3)(b)	265,813,616
- Method C - U/s 36(3)(c)	169,173,825

### Excess in Net Admissible Assets over minimum requirement

<b>1,487,655,888</b>	<b>1,051,279,501</b>
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- 40.1** The law is silent with regard to the inadmissibility of the “Prepaid reinsurance premium ceded” and “Deferred commission expense” in Section 32(2) of the Insurance Ordinance, 2000 and, hence, these have been treated as admissible assets for the purpose of this statement.
- 40.2** Regulation 6(2) of General Takaful Accounting Regulations, 2019 (“Takaful Regulations 2019”) assets and liabilities of window takaful operation included in computation of solvency requirements.
- 40.3** As clarified by Securities and Exchange Commission of Pakistan, the current year solvency statement includes assets and liabilities of participant takaful fund. The change has also been reflected in prior year.

#### 41. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

	December 31, 2023										
	Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Investment in Associate	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)										
<b>Financial assets measured at fair value</b>											
Investments											
- Equity securities	132,155,285	809,373,758	-	-	-	-	941,529,043	139,394,119	482,233,978	319,900,946	941,529,043
- Debt securities	975,179,231	846,384,240	-	-	-	-	1,821,563,471	-	1,821,563,471	-	1,821,563,471
Assets of Window Takaful											
Operations - Operator's fund	-	151,057,179	-	-	-	-	151,057,179	-	151,057,179	-	151,057,179
<b>Financial assets not measured at fair value</b>											
Cash and bank*	-	-	-	436,347,757	-	-	436,347,757	-	-	-	-
Investments											
- In associates	-	-	-	-	73,966,924	-	73,966,924	197,260,990	-	-	197,260,990
- Debt securities	-	-	29,827,578	-	-	-	29,827,578	-	29,386,500	-	29,386,500
- Unquoted equity shares*	-	75,283	-	-	-	-	75,283	-	-	75,283	75,283
Insurance / reinsurance receivable*	-	-	-	822,041,695	-	-	822,041,695	-	-	-	-
Loan and other receivable*	-	-	-	86,800,368	-	-	86,800,368	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	193,417,129	-	-	193,417,129	-	-	-	-
Assets of Window Takaful											
Operations - Operator's fund*	-	-	-	64,661,203	-	-	64,661,203	-	-	-	-
<b>Financial liabilities not measured at fair value</b>											
Outstanding claims including IBNR*	-	-	-	-	-	(397,707,648)	(397,707,648)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	(593,491,964)	(593,491,964)	-	-	-	-
Other creditors and accruals*	-	-	-	-	-	(119,907,735)	(119,907,735)	-	-	-	-
Total liabilities of Window Takaful											
Operations - Operator's fund*	-	-	-	-	-	(20,222,254)	(20,222,254)	-	-	-	-
	<b>1,107,334,516</b>	<b>1,806,890,460</b>	<b>29,827,578</b>	<b>1,603,268,152</b>	<b>73,966,924</b>	<b>(1,131,329,601)</b>	<b>3,489,958,029</b>	<b>336,655,109</b>	<b>2,484,241,128</b>	<b>319,976,229</b>	<b>3,140,872,466</b>

# Notes to and Forming part of the Financial Statements

For the year ended December 31, 2023

	December 31, 2022										
	Held-for- trading	Available- for- sale	Held-to- maturity	Loans and receivables	Investment in Associate	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)										
Financial assets measured at fair value											
Investments											
- Equity securities	75,575,631	1,008,169,866	-	-	-	-	1,083,745,497	90,252,590	673,591,961	319,900,946	1,083,745,497
- Debt securities	393,403,452	668,887,530	-	-	-	-	1,062,290,982	-	1,062,290,982	-	1,062,290,982
Assets of Window Takaful											
Operations - Operator's fund	-	117,626,447	-	-	-	-	117,626,447	-	117,626,447	-	117,626,447
Financial assets not measured at fair value											
Cash and bank*	-	-	-	426,475,752	-	-	426,475,752	-	-	-	-
Investments											
- In associates	-	-	-	-	67,361,755	-	67,361,755	104,243,252	-	-	104,243,252
- Debt securities	-	-	29,788,381	-	-	-	29,788,381	-	29,435,250	-	29,435,250
- Unquoted equity shares*	-	75,283	-	-	-	-	75,283	-	-	75,283	75,283
Insurance / reinsurance receivable*	-	-	-	766,758,124	-	-	766,758,124	-	-	-	-
Loan and other receivables	-	-	-	41,991,024	-	-	41,991,024	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	193,417,129	-	-	193,417,129	-	-	-	-
Total assets of Window Takaful Operations											
	-	-	-	47,561,740	-	-	47,561,740	-	-	-	-
Financial liabilities not measured at fair value											
Outstanding claims including IBNR	-	-	-	-	-	(391,209,002)	(391,209,002)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	(317,525,344)	(317,525,344)	-	-	-	-
Other creditors and accruals*	-	-	-	-	-	(136,622,609)	(136,622,609)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's fund											
	-	-	-	-	-	(22,718,850)	(22,718,850)	-	-	-	-
	468,979,083	1,794,759,126	29,788,381	1,476,203,769	67,361,755	(868,075,805)	2,969,016,309	194,495,842	1,882,944,640	319,976,229	2,397,416,711

\* The Company has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

**41.1** Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

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).

During the year ended December 31, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

### Valuation techniques used in determination of fair values within level 2 and level 3:

Level 2: Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV and PKFRV rates as announced by Mutual Funds Association of Pakistan (MUFAP).

Level 3: Fair value of Private equity fund is based on the net assets value of the fund.

## 42. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary for better presentation. However, there are no material reclassifications to report.

## 43. SUBSEQUENT EVENT - NON ADJUSTING

The Board of Directors in its meeting held on March 13, 2024 has recommended cash dividend of 45% i.e. Rs. 4.5 per share in respect of the year ended December 31, 2023 (December 31, 2022: 25% (Rs. 2.5 per share). These financial statements for the year ended December 31, 2023 do not include the effect of this appropriation which will be accounted for in the next year.

## 44. NUMBER OF EMPLOYEES

As at December 31

Average number of employees during the year

December 31, 2023	December 31, 2022
----- (Number) -----	-----
<u>143</u>	<u>151</u>
<u>147</u>	<u>158</u>

## 45. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on March 13, 2024.

## 46. GENERAL

Figures in these financial statements have been rounded off to the nearest rupees, unless otherwise stated.

Iqbal Ali Lakhani  
Chairman

Amin Mohammed Lakhani  
Director

Aftab Ahmad  
Director

Mohammad Hussain Hirji  
Director & Chief Executive

Sabza Ali Pirani  
Chief Financial Officer



Window Takaful  
**Operations**  
Financial Statement



# Independent Auditor's Report

## To the members of Century Insurance Company Limited – Window Takaful Operations Report on the Audit of the Financial Statements

### Introduction

We have audited the annexed financial statement of **CENTURY INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATION)** ("the Operator") as at December 31, 2023, which comprise the statement of financial position as at December 31, 2023, and the profit and loss account, the statement of comprehensive income, the statement of changes in funds and the cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of Operator's affairs as at December 31, 2023 and of the profit, other comprehensive income, the changes in funds and its cash flows for the year then ended.

### Basis for Opinion

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

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

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

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

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

## **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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



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

### Report on Other Legal and Regulatory Requirements

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

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

### Other Matter

The financial statements of the Company for the year ended December 31, 2022 were audited by another firm of chartered accountants, who expressed an unmodified opinion on those financial statements vide their report dated March 17, 2023.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: March 13, 2024

UDIN: AR202310166auKmOwf8n

BDO EBRAHIM & CO.

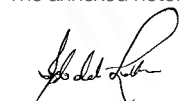
CHARTERED ACCOUNTANTS

# Statement of Financial Position

As at December 31, 2023

		Operator's Fund		Participants' Takaful Fund	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Note	(Rupees)			
<b>Assets</b>					
Investments					
Equity securities / mutual funds	7	151,057,179	117,626,447	104,386,908	88,584,587
Loans and other receivables	8	81,917	21,607	5,145,619	1,924,294
Takaful / retakaful receivables	9	-	-	66,982,420	48,077,315
Retakaful recoveries against outstanding claims	18	-	-	17,038,321	33,235,597
Deferred commission expense / acquisition cost	21	7,833,163	6,789,349	-	-
Receivable from Participant Takaful Fund	13	49,848,274	41,289,596	-	-
Deferred wakala fee	20	-	-	37,199,673	32,561,463
Prepaid retakaful contribution ceded	17	-	-	39,622,401	26,323,890
Cash and bank	11	14,731,012	6,250,537	62,011,308	46,585,848
<b>Total Assets</b>		<b>223,551,545</b>	<b>171,977,536</b>	<b>332,386,650</b>	<b>277,292,994</b>
<b>Funds and Liabilities</b>					
<b>Funds attributable to:</b>					
<b>Operator's Fund</b>					
Statutory fund		50,000,000	50,000,000	-	-
Reserves		3,354,466	965,680	-	-
Accumulated gain		90,019,538	54,505,901	-	-
<b>Total Operator's Fund</b>		<b>143,374,004</b>	<b>105,471,581</b>	<b>-</b>	<b>-</b>
<b>Participants' Takaful Fund</b>					
Ceded money		-	-	500,000	500,000
Accumulated surplus		-	-	66,773,237	31,037,866
<b>Balance of Participants' Takaful Fund</b>		<b>-</b>	<b>-</b>	<b>67,273,237</b>	<b>31,537,866</b>
<b>Liabilities</b>					
<b>PTF underwriting provisions</b>					
Outstanding claims including IBNR	18	-	-	58,028,817	73,651,766
Unearned contribution reserves	17	-	-	100,459,970	83,797,315
Unearned re-takaful rebate	19	-	-	7,694,676	5,264,885
		-	-	166,183,463	162,713,966
Unearned wakala fee	20	37,199,673	32,561,463	-	-
Payable to Operator's Fund	13	-	-	49,848,274	41,289,596
Deferred taxation	14	1,370,134	394,432	-	-
Contribution received in advance		-	-	2,064,425	1,491,125
Takaful / Re-takaful payables	12	-	-	45,118,514	38,387,930
Other creditors and accruals	15	20,222,254	22,718,850	1,898,737	1,872,511
Taxation - provision less payment	10	21,385,480	10,831,210	-	-
		80,177,541	66,505,955	98,929,950	83,041,162
<b>Total Liabilities</b>		<b>80,177,541</b>	<b>66,505,955</b>	<b>265,113,413</b>	<b>245,755,128</b>
<b>Total Funds and Liabilities</b>		<b>223,551,545</b>	<b>171,977,536</b>	<b>332,386,650</b>	<b>277,292,994</b>
<b>Contingency and Commitment</b>					
	16				

The annexed notes 1 to 38 form an integral part of these financial statements.



Iqbal Ali Lakhani  
Chairman



Amin Mohammed Lakhani  
Director



Aftab Ahmad  
Director



Mohammad Hussain Hirji  
Director & Chief Executive



Sabza Ali Pirani  
Chief Financial Officer

# Profit and Loss Account

For the year ended December 31, 2023

## Participants' Takaful Fund - (PTF) Revenue account

	Note	December 31, 2023	December 31, 2022
		(Rupees)	
Contribution earned	17	147,217,713	118,448,121
Less: Contribution ceded to retakaful		(101,650,164)	(73,486,124)
Net contribution revenue		45,567,549	44,961,997
Retakaful rebate earned	19	20,781,771	14,301,128
Net underwriting income		66,349,320	59,263,125
Net claims - reported / settled	18	(53,246,895)	(57,217,220)
Direct expenses	23	(1,674,449)	(2,729,756)
Surplus / (deficit) before investment income		11,427,976	(683,851)
Investment income	24	15,113,894	7,226,517
Other income	25	11,878,734	4,298,377
Less: Mudarib's share of investment income	26	(5,398,526)	(2,290,699)
<b>Surplus for the year</b>		<b>33,022,078</b>	<b>8,550,344</b>

## Operator's Fund - (OPF) Revenue account

Wakala fee	20	86,347,040	69,800,818
Commission expense	21	(22,239,691)	(20,344,755)
General, administration and management expenses	22	(31,458,700)	(28,793,277)
		32,648,649	20,662,786
Mudarib's share of PTF investment income	26	5,398,526	2,290,699
Investment income	24	22,099,869	12,665,710
Other income	25	1,251,256	334,176
Other expenses	27	(881,314)	(910,259)
<b>Profit before tax</b>		<b>60,516,986</b>	<b>35,043,112</b>
Income tax expense	28	(25,003,349)	(12,308,800)
<b>Profit after tax</b>		<b>35,513,637</b>	<b>22,734,312</b>

The annexed notes 1 to 38 form an integral part of these financial statements.



Iqbal Ali Lakhani  
Chairman



Amin Mohammed Lakhani  
Director



Aftab Ahmad  
Director



Mohammad Hussain Hirji  
Director & Chief Executive



Sabza Ali Pirani  
Chief Financial Officer

# Statement of Comprehensive Income

For the year ended December 31, 2023

December 31, 2023      December 31, 2022  
----- (Rupees) -----

## Participants' Takaful Fund - (PTF) Revenue account

Surplus for the year 33,022,078      8,550,344

## Other Comprehensive Income

### Items that will be reclassified to profit and loss account

- Unrealized gain on available for sale investments	2,945,614	232,321
- Reclassification adjustment for net gain on available for sale investments included in profit and loss account	(232,321)	(1,163)
Other comprehensive income	2,713,293	231,158

**Total comprehensive income for the year** 35,735,371      8,781,502

## Operator's Fund - (OPF) Revenue account

**Profit after tax** 35,513,637      22,734,312

## Other comprehensive income


### Items that will be reclassified to profit and loss account

- Unrealized gain on available for sale investments - net of tax	3,354,466	965,680
- Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net of tax	(965,680)	(6,456)
Other comprehensive income for the year	2,388,786	959,224

**Total comprehensive income for the year** 37,902,423      23,693,536


The annexed notes 1 to 38 form an integral part of these financial statements.

  
Iqbal Ali Lakhani  
Chairman

  
Amin Mohammed Lakhani  
Director

  
Aftab Ahmad  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

  
Sabza Ali Pirani  
Chief Financial Officer

# Statement of Changes in Funds

For the year ended December 31, 2023

	Operator's Fund		
	Statutory fund	Revenue reserve Available for sale Investment revaluation reserve	Accumulated surplus
			Total
	(Rupees)		
<b>Balance as at January 01, 2022</b>	50,000,000	6,456	31,771,589
<b>Total comprehensive income</b>			
Profit after tax for the year	-	-	22,734,312
<b>Other comprehensive income</b>			
Unrealised gain on available for sale investments - net of tax	-	965,680	-
Realised gain on available for sale investments - net of tax	-	(6,456)	-
	-	959,224	22,734,312
<b>Balance as at December 31, 2022</b>	50,000,000	965,680	54,505,901
<b>Total comprehensive income</b>			
Profit after tax for the year	-	-	35,513,637
<b>Other comprehensive income</b>			
Unrealised gain on available for sale investments - net of tax	-	3,354,466	-
Realised gain on available for sale investments - net of tax	-	(965,680)	-
	-	2,388,786	35,513,637
<b>Balance as at December 31, 2023</b>	<b>50,000,000</b>	<b>3,354,466</b>	<b>90,019,538</b>
			<b>143,374,004</b>
	Participants' Takaful Fund		
	Ceded money	Accumulated surplus	Total
	(Rupees)		
<b>Balance as at January 01, 2022</b>	500,000	22,256,364	22,756,364
Surplus for the year ended	-	8,550,344	8,550,344
<b>Other comprehensive income</b>			
Unrealised gain on available for sale investments	-	232,321	232,321
Realised gain on available for sale investments	-	(1,163)	(1,163)
	-	8,781,502	8,781,502
<b>Balance as at December 31, 2022</b>	500,000	31,037,866	31,537,866
Surplus for the year ended	-	33,022,078	33,022,078
<b>Other comprehensive income</b>			
Unrealised gain on available for sale investments	-	2,945,614	2,945,614
Realised gain on available for sale investments	-	(232,321)	(232,321)
	-	35,735,371	35,735,371
<b>Balance as at December 31, 2023</b>	<b>500,000</b>	<b>66,773,237</b>	<b>67,273,237</b>

The annexed notes 1 to 38 form an integral part of these financial statements.



Iqbal Ali Lakhani  
Chairman



Amin Mohammed Lakhani  
Director



Aftab Ahmad  
Director



Mohammad Hussain Hirji  
Director & Chief Executive



Sabza Ali Pirani  
Chief Financial Officer

# Cash Flow Statement

For the year ended December 31, 2023

## Operating Cashflows

### (a) Takaful activities

	Operator's Fund December 31, 2023	December 31, 2022	Participants' Takaful Fund December 31, 2023	December 31, 2022
Contribution received	-	-	236,052,207	210,654,036
Retakaful contributions paid	-	-	(91,892,064)	(75,276,088)
Claims paid	-	-	(129,942,398)	(74,510,989)
Retakaful and other recoveries received	-	-	61,643,887	29,158,453
Commission paid	(20,085,017)	(23,384,913)	-	-
Retakaful rebate received	-	-	18,354,876	14,774,686
Wakala fee received / (paid)	87,825,098	56,503,639	(87,825,098)	(56,503,639)
Direct expenses paid	-	-	(1,674,449)	(2,729,756)
Net cash inflows from takaful activities	67,740,081	33,118,726	4,716,961	45,566,703

### (b) Other operating activities

Income tax paid	(14,449,079)	(6,376,558)	(2,147,454)	(981,838)
General, administration and management expenses paid	(37,933,309)	(27,898,590)	-	-
Other operating (payments) / receipts - net	(101,789)	101,789	26,227	(238,246)
Net cash outflows from takaful activities	(52,484,177)	(34,173,359)	(2,121,227)	(1,220,084)

### Total cash inflows / (outflows) from all operating activities

15,255,904	(1,054,633)	2,595,734	44,346,619
------------	-------------	-----------	------------

### Investment activities

Profit / return received	1,190,946	339,020	10,804,863	4,206,879
Dividend received	13,743,526	9,505,876	13,510,517	5,852,085
Payment for investments	(374,474,606)	(98,050,752)	(94,521,630)	(98,686,085)
Proceeds from investments	352,764,705	89,971,613	83,035,976	32,711,826

### Total cash (outflows) / inflows from investing activities

(6,775,429)	1,765,757	12,829,726	(55,915,295)
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### Net cash inflows / (outflows) from all activities

8,480,475	711,124	15,425,460	(11,568,676)
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### Cash and cash equivalents at beginning of the year

6,250,537	5,539,413	46,585,848	58,154,524
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### Cash and cash equivalents at end of the year


11	14,731,012	6,250,537	62,011,308	46,585,848
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### Reconciliation to profit and loss account

Operating cash flows	15,255,904	(1,054,633)	2,595,734	44,346,619
Profit on disposal of investments	8,356,343	3,159,834	1,603,377	1,372,200
Profit / returns received	1,190,946	339,020	10,804,863	4,206,879
Dividend income	13,743,526	9,505,876	13,510,517	5,852,085
Increase in assets other than cash	9,662,802	28,254,344	23,865,875	48,573,342
Increase in liabilities other than borrowings	(12,695,884)	(17,470,129)	(19,358,288)	(95,800,781)
Profit after tax / surplus for the year	35,513,637	22,734,312	33,022,078	8,550,344


The annexed notes 1 to 38 form an integral part of these financial statements.

  
Iqbal Ali Lakhani  
Chairman

  
Amin Mohammed Lakhani  
Director

  
Aftab Ahmad  
Director

  
Mohammad Hussain Hirji  
Director & Chief Executive

  
Sabza Ali Pirani  
Chief Financial Officer

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

## 1. LEGAL STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited (“the Operator”) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act 2017) on October 10, 1985. The Operator is listed on Pakistan Stock Exchange and is engaged in general insurance business. The registered office of the Operator is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi.

The Operator was granted authorisation on August 07, 2017 under Rule 6 of the Takaful Rules, 2012 to undertake Window Takaful Operations (“the Operations”) by Securities and Exchange Commission of Pakistan (“SECP”) under Takaful Rules, 2012 and General Takaful accounting regulation 2019 to carry on general takaful operations in Pakistan.

The Operator transferred statutory fund of Rs. 50 million in a separate bank account for the Operations as per the requirement of circular 8 of 2014. Thereafter, the Operator has formed a Waqf for Participants’ Fund (“PTF”) by executing the Waqf deed dated August 17, 2017 by investing a ceded money of Rs. 0.5 million. The ceded money is required to be invested in shariah compliant investments and any profit thereon can be utilized only to pay benefits to Participants’ or defray PTF expenses. Waqf Deed governs the relationship of Operator and participants for management of takaful operations, investments of participants’ funds and investments of the Operator’s funds approved by the shariah advisor of the Operator. The Operator commenced activities of the Operations on August 18, 2017.

## 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with 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 Standard Board (IASB) as are notified under Companies Act, 2017; and
- Provision of and directive issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulation 2019.

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

The Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O 1416(I)/2019 dated November 20, 2019 has prescribed format of the presentation of annual financial statements for general takaful operators. These financial statements have been prepared in accordance with the format prescribed by the SECP.

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

### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain investments which are stated at their fair values.

### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Operations’ functional currency.

### 3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

#### 3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2023

The following standards, amendments and interpretations are effective for the year ended December 31, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

Standard or Interpretation	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023
The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.	
The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.	
Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policy information (2022: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.	

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

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 standard has been issued by IASB effective July 01, 2009. However, it has not be adopted locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 01, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	
The company has taken a benefit of temporary exemption of applying IFRS 9 Financial instrument with IFRS 17 Insurance Contract as allowed under IFRS.	

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented. A number of other new standards are effective from January 01, 2023 but they do not have a material effect on the Operations' financial statements.

### 4.1 Takaful contracts

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

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

The Operations underwrites non-life takaful contracts that can be categorised into following main categories:

#### a) Fire and property

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

**b) Marine, aviation and transport**

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

**c) Motor**

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

**d) Accident and health**

Accident and health takaful contract mainly compensate hospitalisation and outpatient medical coverage to the participant. These contracts are generally one year contracts.

**e) Miscellaneous**

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

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

**4.2 Deferred Commission expense / Acquisition cost**

Commission expense incurred in obtaining and recording policies is deferred and recognised in Operator's Fund as an expense in accordance with pattern of recognition of contribution revenue.

**4.3 Unearned contribution**

The unearned portion of contribution is calculated by applying twenty-fourths method, as prescribed by General Takaful Accounting Regulation 2019.

**4.4 Contribution deficiency**

The Operations is required as per General Takaful Accounting Regulation 2019 to maintain a provision in respect of contribution deficiency for the class of business where the unearned contribution reserve is not adequate to meet the expected future liability, after re-takaful, from claims and other expenses, including re-takaful expense, commissions and other underwriting expenses, expected to be incurred after the reporting date in respect of policies in that class of business at the reporting date. The movement in the contribution deficiency reserve is recorded as an expense and the same shall be recognised as a liability.

For this purpose, loss ratios for each class are estimated based on historical claim development. Judgement is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. If these ratios are adverse, contribution deficiency is estimated.

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

Based on an analysis of combined operating ratio for the expired period of each reportable segment, the management considers that the unearned contribution reserve for all classes of business as at the year end is adequate to meet the expected future liability after re-takaful, from claims and other expenses, expected to be incurred after the reporting date in respect of policies in those classes of business in force at the reporting date and therefore no provision for the same has been made in these financial statements.

## 4.5 Re-takaful contracts held

These are contracts entered into by the Operation with re-takaful operators for compensation of losses suffered on takaful contracts issued. These re-takaful contracts include both facultative and treaty arrangement contracts and are classified in same categories of takaful contracts for the purpose of these financial statements. The PTF recognise the entitled benefits under the contracts as various retakaful assets. Re-takaful contribution is recognised as an expense when retakaful is ceded. Re-takaful assets and liabilities are derecognised when contractual right are extinguished or expired.

The deferred portion of re-takaful contribution is recognized as a prepayment in PTF. The deferred portion of re-takaful contribution ceded is calculated by using twenty-fourths method.

## 4.6 Receivables and payables related to takaful contracts

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

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

## 4.7 Segment reporting

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

The Operator presents segments reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and General Takaful Accounting Regulation 2019. The reported operating segments are also consistent with the internal reporting process of the Operator for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment. All the Operator's business segments operate in Pakistan only.

Based on its classification of takaful contracts issued, the Operations has four primary business segments for reporting purposes namely fire, marine, motor, and miscellaneous. The nature and business activities of these segments are disclosed in note 4.1.

Assets and liabilities are allocated to particular segments on the basis of contribution earned. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Management expenses are allocated to a particular segment on the basis of contribution written.

#### 4.8 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, policy stamps, bank balances and the term deposit receipts having maturity of not more than three months and are subject to insignificant risk of change in value.

#### 4.9 Revenue recognition

##### a) Contribution

Contribution under a policy are recognised as revenue at the time of issuance of takaful policy / cover note. Where the pattern of incidence of risk varies over the period of the policy / cover note, contribution is recognised as revenue in accordance with the pattern of the incidence of risk. The portion of contribution written relating to the unexpired period of coverage is recognised as unearned contribution by the Operator. The unearned contribution is calculated by applying twenty-fourths method as specified in the General Takaful Accounting Regulation 2019. Administrative surcharge are recognised as revenue at the time of issuance of takaful policy / cover note.

Re-takaful ceded is recognised as expense after taking into account the proportion of deferred re-takaful contribution expense which is calculated using twenty-fourths method. The deferred portion of re-takaful contribution expense is recognised as a prepayment.

##### b) Re-takaful rebate

Rebate and other forms of revenue (apart from recoveries) from re-takaful operators are deferred and recognised as liability and recognised in the profit and loss account as revenue of PTF in accordance with the pattern of recognition of the re-takaful contributions.

##### c) Investment income

- Profit on bank deposits is recognised on a time proportion basis taking into account the effective yield.
- Income from held to maturity investments is recognised on a time proportion basis taking into account the effective yield on the investments. The difference between the redemption value and the purchase price of the held to maturity investments is amortised and taken to the profit and loss account over the term of the investment.
- Dividend income is recognised when the Operations' right to receive the payment is established.
- Return on fixed income securities classified as available for sale is recognised on a time proportion basis taking into account the effective yield on the investments.
- Gain / loss on sale of investments is included in income currently.

#### 4.10 Investments

##### 4.10.1 Classification and recognition

All investments are initially recognized at cost, being the fair value of the consideration given and include transaction costs, except for investment held for trading in which case transaction costs are charged to the profit and loss account. These are recognized and classified as follows:

- Held for trading
- Held to maturity
- 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

For the year ended December 31, 2023

## 4.10.2 Measurement

### 4.10.2.1 Held for trading

- Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading.
- Investments which are designated as held for trading upon initial recognition.

Subsequent to initial recognition, these investments are premeasured at fair value. Gains or losses on remeasurement of these investments are recognised in profit and loss account.

### 4.10.2.2 Held to maturity

Investments with fixed determinable payments and fixed maturity, where Operations has both the intent and the ability to hold to maturity, are classified as held to maturity.

Subsequently, these are measured at amortised cost less provision for impairment, if any.

Any premium paid or discount availed on government securities and term finance certificates is deferred and amortised over the period to maturity of investment using the effective yield.

### 4.10.2.3 Available-for-sale

Investments which are not eligible to be classified as “held for trading” or “held to maturity” are classified as ‘available-for-sale’. These investments are intended to be held for an indefinite period of time which may be sold in response to the need for liquidity, changes in interest rates, equity prices or exchange rates are classified as available-for-sale.

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

### 4.10.2.4 Fair / market value measurements

For investments in quoted mutual funds, fair / market value is determined by reference to rates quoted by Mutual Fund Association of Pakistan (MUFAP).

### 4.10.2.5 Date of recognition

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 on which the Operator commits to purchase or sell the investment.

## 4.11 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Operator intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 4.12 Provisions

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

#### **4.13 Provision for outstanding claims including Incurred But Not Reported (IBNR)**

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

##### **Outstanding claims**

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

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

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

##### **Incurred But Not Reported (IBNR) Claims**

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

The Operations is required, as per SECP circular no. 9 of 2016 dated March 09, 2016 "Guidelines for Estimation of Incurred but not reported claims reserve, 2016" to estimate and maintain the provision for claims incurred but not reported for each class of business by using prescribed Method "Chain Ladder Method" and other alternate method as allowed under the provisions of the Guidelines. The actuarial valuation as at December 31, 2023 has been carried out by independent firm of actuaries for determination of IBNR for each class of business.

#### **4.14 Taxation**

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

##### **Current tax**

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

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

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

## Deferred tax

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

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

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

## 4.15 Impairment of assets

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

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

## 4.16 Management expenses

Expenses of management have been allocated to various classes of business as deemed equitable by the Operator. Expenses not allocable to the underwriting business are charged under other expenses.

## 4.17 Financial instruments

Financial instruments carried on the reporting date include cash and bank, contribution due but unpaid, amount due from other takaful / re-takaful operators, accrued investment income, retakaful recoveries against outstanding claims, amount due to other takaful / re-takaful operators, other creditors and accruals.

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

## 4.18 Takaful surplus

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

#### 4.19 Wakala fee

The Operator manages the general takaful operations for the Participants' and charges wakala fee to PTF on gross contributions recognized for each class of business to meet the general and administrative expenses of the Operator including commissions to agents at following rates:

Class	Percentage ----- (%) -----
Fire and property damage	30
Marine, aviation and transport	30
Motor	43
Health	20
Miscellaneous	35

Wakala fee is recognised as income in Operator's Fund on the same basis on which the related contribution revenue is recognized. Unearned portion of wakala fee is recognised as a liability of Operator's Fund and an asset of Participants' Fund.

#### 4.20 Mudarib's fee

The Operator also manages the participants' investment as Mudarib and charges 20 percent of the investment income and profits on bank deposits earned by the PTF as Mudarib's fee. It is recognized on the same basis on which related revenue is recognised.

#### 4.21 Qard-e-Hasna

Qard-e-Hasna is provided by Operator's Fund to PTF in case of deficit or to fulfil cash flow requirements.

### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### 5.1 Use of estimates and judgements

In preparing these financial statement, management has made judgement, estimates and assumptions that affect the application of the Operations' accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent years are included in following notes:

- provision for unearned contribution (note 4.3);
- contribution deficiency reserve (note 4.4);
- provision for contribution due but unpaid and amount due from other takaful / re-takaful operators; (note 4.6)
- segment reporting (note 4.7);
- classification of investments (note 4.10);
- provision for outstanding claims including IBNR and re-takaful recoveries there against (note 4.13);
- taxation (note 4.14);
- impairment (note 4.15);
- allocation of management expenses (note 4.16); and
- provision for unearned wakala fee (note 4.19).

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

## 6. DISCLOSURES RELATED TO TEMPORARY EXEMPTION FROM IFRS 9

To determine the appropriate classification of financial assets under IFRS 9, an entity would need to assess the contractual cash flows characteristics of any financial asset. Indeed, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) i.e. cash flows that are consistent with a basic lending arrangement. In a basic lending arrangement consideration for the time value of money and credit risk are typically the most significant elements of interest. IFRS 9 defines the terms principal as being the fair value of the financial asset at initial recognition and the interest as being compensation for (i) the time value of money and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

The debt instruments accounted for fair value through other comprehensive income under IAS 39 are potentially eligible to SPPI test whereas it is not applicable for the debt instruments accounted for fair value through profit or loss.

The tables below set out the fair values on gross basis as at the end of reporting period and the amount of change in the fair value during that period for the following two groups of financial assets separately.

- 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
- all other financial assets.

### Operator's Fund

#### Financial assets

December 31, 2023				
Fail the SPPI Test		Pass the SPPI Test		
Fair value	Change in Unrealized gain during the year	Carrying Value	Cost less impairment	Change in Unrealized gain or (loss) during the year
----- (Rupees) -----				
Investments				
- Equity securities - Available for Sale	151,057,179	4,724,600	-	-

### Participants' Takaful Fund

#### Financial assets

December 31, 2023				
Fail the SPPI Test		Pass the SPPI Test		
Fair value	Change in Unrealized gain or (loss) during the year	Carrying Value	Cost less impairment	Change in Unrealized gain or (loss) during the year
----- (Rupees) -----				
Investments				
- Equity securities - Available for Sale	104,386,908	2,945,614	-	-

## 7. INVESTMENTS IN EQUITY SECURITIES - Available for sale

		December 31, 2023		December 31, 2022	
		Cost	Carrying value	Cost	Carrying value
		(Rupees)			
Operator's Fund					
Mutual funds	7.1	146,332,579	151,057,179	116,266,334	117,626,447
Participants' Fund					
Mutual funds	7.2	101,441,294	104,386,908	88,352,266	88,584,587

### 7.1 Mutual Funds - OPF

	Number of units		December 31, 2023		December 31, 2022	
	2023	2022	Cost	Carrying value	Cost	Carrying value
----- (Rupees) -----						
<b>Open - end mutual funds</b>						
<b>Other than related parties</b>						
NBP Islamic Money Market Fund	4,234,915	-	42,672,700	47,352,705	-	-
Faysal Islamic Cash Fund	268,985	229,471	26,898,531	26,898,530	22,947,090	22,947,089
ABL Islamic Cash Fund	2,025,083	1,730,608	20,250,829	20,250,828	17,306,080	17,306,080
Al Habib Islamic Savings Fund	267,042	-	26,704,223	26,732,449	-	-
NBP Islamic Income Fund	-	3,676,178	-	-	38,159,834	39,513,770
Al Habib Islamic Cash Fund	-	228,533	-	-	22,853,330	22,853,330
	<u>6,796,025</u>	<u>5,864,790</u>	<u>116,526,283</u>	<u>121,234,512</u>	<u>101,266,334</u>	<u>102,620,269</u>
<b>Related parties</b>						
Lakson Islamic Money Market Fund	294,952	148,506	29,806,296	29,822,667	15,000,000	15,006,178
	<u>294,952</u>	<u>148,506</u>	<u>29,806,296</u>	<u>29,822,667</u>	<u>15,000,000</u>	<u>15,006,178</u>
	<u>7,090,977</u>	<u>6,013,296</u>	<u>146,332,579</u>	<u>151,057,179</u>	<u>116,266,334</u>	<u>117,626,447</u>

### 7.2 Mutual Funds - PTF

<b>Open - end mutual funds</b>						
<b>Other than related parties</b>						
NBP Islamic Income Fund	724,881	629,582	7,276,637	8,088,581	6,764,284	6,767,122
NBP Islamic Daily Dividend Fund	869,792	743,618	8,697,918	8,697,919	7,436,178	7,436,178
Al Habib Islamic Savings Fund	85,214	-	8,521,409	8,530,417	-	-
HBL Islamic Money Market Fund	137,733	117,562	13,935,038	13,935,037	11,894,261	11,894,261
HBL Islamic Income fund	54,972	47,554	5,649,537	6,315,248	5,254,104	5,256,325
Faysal Islamic Cash Fund	78,514	66,980	7,851,388	7,851,388	6,698,004	6,698,004
Faysal Halal Amdani Fund	78,871	67,993	7,963,180	8,839,260	7,353,807	7,356,772
Meezan Sovereign Fund	282,045	-	16,103,419	16,396,829	-	-
Al Ameen Islamic Sovereign Fund	159,659	-	17,620,253	17,909,715	-	-
ABL Islamic Cash Fund	782,251	668,501	7,822,515	7,822,514	6,685,014	6,685,013
Al Habib Islamic Cash Fund	-	72,955	-	-	7,295,481	7,295,481
Meezan Rozana Amdani Fund	-	133,509	-	-	6,675,459	6,675,459
Meezan Daily Income Fund (I)	-	145,796	-	-	7,289,791	7,289,790
Al Ameen Islamic Cash Fund	-	31,054	-	-	3,124,662	3,348,962
Al Ameen Islamic Cash Plan I	-	118,812	-	-	11,881,221	11,881,220
	<u>3,253,932</u>	<u>2,843,916</u>	<u>101,441,294</u>	<u>104,386,908</u>	<u>88,352,266</u>	<u>88,584,587</u>

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

## 8. LOANS AND OTHER RECEIVABLES - Considered good

	Operator's Fund		Participants' Takaful Fund	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees)			
Accrued investment income	81,917	21,607	1,500,017	426,146
Advance tax	-	-	3,645,602	1,498,148
	<u>81,917</u>	<u>21,607</u>	<u>5,145,619</u>	<u>1,924,294</u>

## 9. TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF - Unsecured and considered good

	Note	December 31, 2023	December 31, 2022
		(Rupees)	(Rupees)
Due from Takaful contract holders	9.3	27,213,127	21,822,364
Due from other Takaful / Re-takaful operators	9.1 & 9.2	37,977,581	25,064,654
Re-takaful recoveries due but unpaid		1,791,712	1,190,297
		<u>66,982,420</u>	<u>48,077,315</u>

**9.1** The maximum aggregate amount due from operator at end of any month during the year was Rs. 11.8 million (2022: Rs. 11.9 million).

**9.2** This includes Rs. 13.8 million (2022: Rs. 2.2 million) receivable from operator. The amount is not over due/ impaired as at December 31, 2023.

**9.3** The maximum aggregate amount due from related party at end of any month during the year was Rs. 18.0 million (2022: Rs. 10.3 million).

## 10. TAXATION - PROVISION LESS PAYMENTS

	December 31, 2023	December 31, 2022
	(Rupees)	(Rupees)
Provision for taxation	23,601,625	12,308,800
Less: Taxes paid / deducted at source	(2,216,145)	(1,477,590)
	<u>21,385,480</u>	<u>10,831,210</u>

## 11. CASH AND BANK

	Operator's Fund		Participants' Takaful Fund	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees)			
<b>Cash and cash equivalent</b>				
Cash in hand	10,000	10,000	-	-
<b>Cash at bank</b>				
Savings accounts	11.1	14,721,012	6,240,537	62,011,308
		<u>14,731,012</u>	<u>6,250,537</u>	<u>46,585,848</u>

**11.1** Savings accounts carry expected profit rates ranging from 4.75% to 19.25% (2022: 3.25% to 8.28%) per annum.

## 12. TAKAFUL / RE-TAKAFUL PAYABLES - PTF

**December 31, 2023**      December 31, 2022

Note ----- (Rupees) -----

Due to other takaful / re-takaful operators      12.1      **45,118,514**      38,387,930

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

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

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

## 13. RECEIVABLE / PAYABLE (Between OPF and PTF)

	<b>Operator's Fund</b>		<b>Participants' Takaful Fund</b>	
	<b>December 31, 2023</b>	December 31, 2022	<b>December 31, 2023</b>	December 31, 2022
	----- (Rupees) -----			
Wakala fee	<b>48,273,128</b>	39,813,445	<b>48,273,128</b>	39,813,445
Mudarib fee	<b>1,575,146</b>	1,476,151	<b>1,575,146</b>	1,476,151
	<b>49,848,274</b>	41,289,596	<b>49,848,274</b>	41,289,596

## 14. DEFERRED TAXATION

	<b>Operator's Fund</b>	
	<b>December 31, 2023</b>	December 31, 2022
	----- (Rupees) -----	
<b>Deferred credit arising in respect of</b>		
Unrealized gain on available for sale investments	<b>1,370,134</b>	394,432

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

## 15. OTHER CREDITORS AND ACCRUALS

	Operator's Fund		Participants' Takaful Fund	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees)			
Agents' Commission payable	12,848,571	9,650,083	-	-
Federal excise duty / sales tax	-	-	1,268,344	1,391,909
Federal takaful fee	-	-	160,201	155,651
Accrued expenses	6,695,183	12,403,478	-	-
Audit fee payable	678,500	563,500	-	-
Creditors	-	-	391,618	188,810
Tax deducted at source	-	101,789	78,574	136,141
	<u>20,222,254</u>	<u>22,718,850</u>	<u>1,898,737</u>	<u>1,872,511</u>

## 16. CONTINGENCY AND COMMITMENT

There were no contingency and commitment as at Reporting Date (December 31, 2022: Nil).

## 17. NET TAKAFUL CONTRIBUTION - PTF

	December 31, 2023	December 31, 2022
	(Rupees)	
Written Gross contribution	250,227,408	213,488,867
Less: Wakala Fee	(86,347,040)	(69,800,818)
Contribution Net of Wakala Fee	<u>163,880,368</u>	<u>143,688,049</u>
Add: Unearned contribution reserve opening	83,797,315	58,557,387
Less: Unearned contribution reserve closing	(100,459,970)	(83,797,315)
Contribution earned	<u>147,217,713</u>	<u>118,448,121</u>
Less:		
Re-takaful Contribution ceded	114,948,675	82,842,538
Add: Prepaid re-takaful contribution ceded opening	26,323,890	16,967,476
Less: Prepaid re-takaful contribution ceded closing	(39,622,401)	(26,323,890)
Re-takaful expense	<u>101,650,164</u>	<u>73,486,124</u>
	<u>45,567,549</u>	<u>44,961,997</u>

## 18. NET TAKAFUL CLAIMS EXPENSE - PTF

Claim paid	129,942,398	74,510,989
Add: Outstanding claims including IBNR closing	58,028,817	73,651,766
Less: Outstanding claims including IBNR opening	(73,651,766)	(35,843,954)
Claims expense	<u>114,319,449</u>	<u>112,318,801</u>
Less: Re-takaful and others recoveries received	77,269,830	33,719,061
Add: Re-takaful and others recoveries in respect of outstanding claims closing	17,038,321	33,235,597
Less: Re-takaful and others recoveries in respect of outstanding claims opening	(33,235,597)	(11,853,077)
Re-takaful and other recoveries revenue	<u>61,072,554</u>	<u>55,101,581</u>
	<u>53,246,895</u>	<u>57,217,220</u>

## 18.1 Claims development

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

Accident year	2018 & prior	2019	2020	2021	2022	2023	Total
	(Rupees)						
Gross estimate of ultimate claims cost:							
- At end of accident	22,878,561	21,456,392	159,074,256	44,508,028	99,401,691	135,527,493	482,846,421
- One year later	18,188,609	27,162,235	159,875,537	55,650,621	89,134,895	-	350,011,897
- Two year later	17,836,700	26,515,692	159,972,608	64,939,321	-	-	269,264,321
- Three year later	17,684,708	26,384,626	148,622,500	-	-	-	192,691,834
- Four year later	17,684,708	26,100,299	-	-	-	-	43,785,007
- Five year later	17,676,540	-	-	-	-	-	17,676,540
Current estimate of cumulative claims	17,676,540	26,100,299	148,622,500	64,939,321	89,134,895	135,527,493	482,001,048
Cumulative payment to date	(16,848,901)	(25,588,140)	(148,459,092)	(52,559,616)	(81,136,006)	(99,380,476)	(423,972,231)
Liability recognised in statement of financial position	827,639	512,159	163,408	12,379,705	7,998,889	36,147,017	58,028,817

The net provision for IBNR on the basis of the actuarial valuation carried out as at December 31, 2023 amounted to Rs. 10.24 million (December 31, 2022: Rs. 8.58 million).

## 19. REBATE ON RE-TAKAFUL - PTF

December 31, 2023      December 31, 2022  
----- (Rupees) -----

Re-takaful rebate received or recoverable	23,211,562	16,510,160
Add: Unearned re-takaful rebate - opening	5,264,885	3,055,853
Less: Unearned re-takaful rebate - closing	(7,694,676)	(5,264,885)
	<u>20,781,771</u>	<u>14,301,128</u>

## 20. WAKALA FEE

Gross Wakala fee	90,985,250	80,544,766
Add: Unearned Wakala fee income - opening	32,561,463	21,817,515
Less: Unearned Wakala fee income - closing	(37,199,673)	(32,561,463)
	<u>86,347,040</u>	<u>69,800,818</u>

## 21. COMMISSION EXPENSE / ACQUISITION COST - OPF

Commission paid or payable	23,283,505	22,272,117
Add: Deferred commission expense - opening	6,789,349	4,861,987
Less: Deferred commission expense - closing	(7,833,163)	(6,789,349)
	<u>22,239,691</u>	<u>20,344,755</u>

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

22.	<b>GENERAL, ADMINISTRATION AND MANAGEMENT EXPENSES - OPF</b>		<b>December 31, 2023</b>	December 31, 2022
		Note	----- (Rupees) -----	-----
	Employee benefit cost	22.1	<b>24,643,988</b>	22,409,309
	Shahriah advisor fees		<b>1,704,000</b>	1,584,000
	Rent		<b>1,266,983</b>	1,293,585
	Depreciation		<b>1,017,085</b>	1,025,620
	Printing and stationery		<b>730,037</b>	717,956
	Communications		<b>738,203</b>	613,133
	Postage, telegram and telephone		<b>181,236</b>	178,219
	Electricity, gas and water		<b>744,631</b>	631,683
	Legal and professional charges		<b>200,000</b>	169,825
	Annual supervision fees SECP		<b>232,537</b>	169,947
			<b>31,458,700</b>	28,793,277
22.1	<b>Employee benefit cost</b>		<b>December 31, 2023</b>	December 31, 2022
			----- (Rupees) -----	-----
	Salaries, allowance and other benefits	22.1.1	<b>23,598,673</b>	21,438,369
	Charges for post employment benefits		<b>1,045,315</b>	970,940
			<b>24,643,988</b>	22,409,309
22.1.1	This represents contribution to employee's provident fund managed by the Operator.			
23.	<b>DIRECT EXPENSES - PTF</b>		<b>December 31, 2023</b>	December 31, 2022
			----- (Rupees) -----	-----
	Tracker Charges		<b>1,569,913</b>	2,208,837
	Bank charges		<b>75,411</b>	122,240
	Miscellaneous		<b>33,015</b>	595
	Co-takaful service charges		<b>(3,890)</b>	398,084
			<b>1,674,449</b>	2,729,756
24.	<b>INVESTMENT INCOME</b>			
	<b>Participants' Takaful Fund</b>			
	<b>Income from equity securities - Available for sale</b>			
	Realised gain on sale of equity securities		<b>1,603,377</b>	1,372,200
	Dividend income		<b>13,510,517</b>	5,852,085
	<b>Income from debt securities - Held to maturity</b>			
	Return on Certificate of Islamic Investment		<b>-</b>	2,232
			<b>15,113,894</b>	7,226,517
	<b>Operator's Fund</b>			
	<b>Income from equity securities - Available for sale</b>			
	Dividend income		<b>13,743,526</b>	9,505,876
	Realised gain on sale of equity securities		<b>8,356,343</b>	3,159,834
			<b>22,099,869</b>	12,665,710

25.	OTHER INCOME	Note	December 31, 2023	December 31, 2022
			----- (Rupees) -----	-----
	<b>Participants' Takaful Fund</b>			
	Profit on bank balances		<b>11,878,734</b>	4,226,978
	Exchange gain		<b>-</b>	71,399
			<b>11,878,734</b>	<b>4,298,377</b>
	<b>Operator's Fund</b>			
	Profit on bank balances		<b>1,251,256</b>	334,176
26.	<b>MUDARIB'S FEE</b>			
	Mudarib's share of PTF investment income		<b>5,398,526</b>	2,290,699
27.	<b>OTHER EXPENSES - OPF</b>			
	Auditors' remuneration	27.1	<b>881,314</b>	910,259
			<b>881,314</b>	<b>910,259</b>
27.1	<b>Auditors' remuneration</b>			
	Audit fee		<b>230,000</b>	230,000
	Interim review fee		<b>115,000</b>	115,000
	Shariah Compliance audit		<b>115,000</b>	115,000
	Special reports and other certifications		<b>218,500</b>	218,500
	Out of pocket expenses including government levy		<b>202,814</b>	231,759
			<b>881,314</b>	<b>910,259</b>
28.	<b>TAXATION - NET</b>			
	Current year		<b>23,601,625</b>	11,564,227
	Prior year		<b>1,401,724</b>	744,573
			<b>25,003,349</b>	<b>12,308,800</b>
29.	<b>REMUNERATION OF HEAD OF WINDOW TAKAFUL OPERATIONS</b>			
	Managerial remuneration		<b>2,268,191</b>	2,174,648
	Bonus		<b>550,588</b>	537,686
	Contribution to defined contribution plan		<b>-</b>	34,188
	Rent and house maintenance		<b>1,020,689</b>	978,590
	Conveyance		<b>721,920</b>	535,800
	Others		<b>380,120</b>	370,762
			<b>4,941,508</b>	<b>4,631,674</b>

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

## 30. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise the Operator, associated companies, companies under common control, companies with common directors, major shareholders, employees' retirement benefit plans, directors and key management personnel of the Operator. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions and on an arm's length basis. The transactions and balances with related parties / associated companies, other than those which have been disclosed elsewhere in these financial information, are as follows:

Name of related party	Takaful Contribution Written	Contribution Outstanding	Claim Paid	Investment in mutual funds	Sale of units of mutual funds	Expenses	Reimbursement of Expenses	Retirement Fund
	Participants' Takaful Fund			Operator's Fund				
Note	----- (Rupees) -----							
Associated companies / undertaking								
Cyber Internet Services (Pvt.) Ltd.	7,332,645	1,100,827	508,193	-	-	-	-	-
Orthopedic And Medical Institute (Pvt) Ltd.	301,556	-	-	-	-	-	-	-
Siza Foods (Private) Limited	554,234	(44,787)	413,438	-	-	-	-	-
GAM Corporation (Private) Limited	716,815	-	175,256	-	-	-	-	-
Lakson Investment Limited	-	-	-	253,936,997	243,936,997	-	-	-
Others								
Express Publication (Private) Limited	866,679	-	79,550	-	-	-	-	-
Century Insurance Company Limited	30.1	-	-	-	-	6,233,114	-	-
Century Insurance Company Limited	30.2	-	-	-	-	-	21,891,881	-
Retirement benefit plans								
Contribution to staff provident fund	-	-	-	-	-	-	-	619,105
Contribution to staff gratuity fund	-	-	-	-	-	-	-	426,210
December 31, 2023	9,771,929	1,056,040	1,176,437	253,936,997	243,936,997	6,233,114	21,891,881	1,045,315
December 31, 2022	14,638,081	2,395,784	3,125,012	15,000,000	-	6,009,346	19,657,361	970,940

**30.1** This represents remuneration of Head of Window Takaful Operations and Shariah Compliance Officer paid to the Operator.

**30.2** These pertain to sharing of common expenses shared by the Operator

### 31. SEGMENT INFORMATION

Segment information prepared in accordance with the requirement of Insurance Ordinance, 2000 and General Takaful Accounting Regulation 2019 for class of business wise revenues, results, assets and liabilities.

	December 31, 2023					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Aggregate
	(Rupees)					
<b>Participant's Takaful Fund</b>						
Contribution received or receivable (inclusive of Federal Excise Duty / sales tax, Federal takaful fee and Administrative Surcharge)	66,214,397	60,307,890	138,603,603	4,724,951	17,454,390	287,305,231
Less: - Federal Excise Duty / Sales Tax	8,263,514	5,824,091	17,094,003	1,365	2,137,922	33,320,895
- Federal Takaful Fee	574,202	504,647	1,224,137	48,445	151,642	2,503,073
- Others	9,750	3,558,709	113,100	150	450	3,682,159
Facultative inward contribution	2,398,304	-	30,000	-	-	2,428,304
<b>Gross written Contribution (inclusive of Administrative Surcharge)</b>	59,765,235	50,420,443	120,202,363	4,674,991	15,164,376	250,227,408
- Gross direct Contribution	57,099,141	49,095,739	117,027,298	4,672,491	15,119,976	243,014,645
- Facultative inward contribution	2,398,304	-	30,000	-	-	2,428,304
- Administrative surcharge	267,790	1,324,704	3,145,065	2,500	44,400	4,784,459
	59,765,235	50,420,443	120,202,363	4,674,991	15,164,376	250,227,408
Wakala fee	(14,804,837)	(14,338,707)	(51,933,140)	(273,813)	(4,996,543)	(86,347,040)
Takaful contribution earned	49,349,478	47,795,681	120,774,694	1,369,066	14,275,834	233,564,753
Takaful contribution ceded to re-takaful operators	(46,897,724)	(38,003,822)	(5,220,165)	(5,667)	(11,522,786)	(101,650,164)
Net Takaful contribution	(12,353,083)	(4,546,848)	63,621,389	1,089,586	(2,243,495)	45,567,549
Re-takaful rebate	8,882,382	9,149,843	113,337	1,133	2,635,076	20,781,771
<b>Net revenue</b>	(3,470,701)	4,602,995	63,734,726	1,090,719	391,581	66,349,320
Takaful claims	(45,875,940)	(1,024,220)	(64,901,844)	(1,460,436)	(1,057,009)	(114,319,449)
Takaful claims recovered from re-takaful operators	44,703,405	1,117,874	14,165,669	-	1,085,606	61,072,554
Net claims	(1,172,535)	93,654	(50,736,175)	(1,460,436)	28,597	(53,246,895)
Direct expenses	(399,932)	(337,399)	(804,359)	(31,284)	(101,475)	(1,674,449)
<b>(Deficit) / surplus before investment income</b>	<b>(5,043,168)</b>	<b>4,359,250</b>	<b>12,194,192</b>	<b>(401,001)</b>	<b>318,703</b>	<b>11,427,976</b>
Investment income						15,113,894
Profit on bank balances						11,878,734
Mudarib fee						(5,398,526)
<b>Surplus for the year</b>						<b>33,022,078</b>
<b>Operator's Fund</b>						
Wakala fee income	14,804,837	14,338,707	51,933,140	273,813	4,996,543	86,347,040
Commission expense	(4,010,368)	(5,694,734)	(12,184,222)	(68,710)	(281,657)	(22,239,691)
Management expense	(7,513,712)	(6,338,880)	(15,111,894)	(587,742)	(1,906,472)	(31,458,700)
	<b>3,280,757</b>	<b>2,305,093</b>	<b>24,637,024</b>	<b>(382,639)</b>	<b>2,808,414</b>	<b>32,648,649</b>
Mudarib share of PTF investment income						5,398,526
Investment income						22,099,869
Other income						1,251,256
Other expenses						(881,314)
<b>Profit before tax</b>						<b>60,516,986</b>

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

## SEGMENT INFORMATION

Segment information prepared in accordance with the requirement of Insurance Ordinance, 2000 and General Takaful Accounting Regulation 2019 for class of business wise revenues, results, assets and liabilities.

	December 31, 2022					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Aggregate
	(Rupees)					
<b>Participant's Takaful Fund</b>						
Contribution received or receivable (inclusive of Federal Excise Duty / sales tax, Federal takaful fee and Administrative Surcharge)	45,352,072	42,574,876	138,658,121	252,629	16,651,279	243,488,977
Less: - Federal Excise Duty / Sales Tax	5,477,443	4,506,026	16,100,277	-	1,964,917	28,048,663
- Federal Takaful Fee	394,910	357,925	1,218,825	2,764	145,405	2,119,829
- Others	9,650	2,310,660	102,750	50	400	2,423,510
Facultative inward contribution	1,029,784	-	832,784	729,230	94	2,591,892
<b>Gross written Contribution (inclusive of Administrative Surcharge)</b>	<b>40,499,853</b>	<b>35,400,265</b>	<b>122,069,053</b>	<b>979,045</b>	<b>14,540,651</b>	<b>213,488,867</b>
- Gross direct Contribution	39,252,274	34,518,790	117,946,488	247,815	14,501,709	206,467,076
- Facultative inward contribution	1,029,784	-	832,784	729,230	94	2,591,892
- Administrative surcharge	217,795	881,475	3,289,781	2,000	38,848	4,429,899
	<b>40,499,853</b>	<b>35,400,265</b>	<b>122,069,053</b>	<b>979,045</b>	<b>14,540,651</b>	<b>213,488,867</b>
Wakala fee	(10,420,875)	(9,932,777)	(45,475,953)	(195,809)	(3,775,404)	(69,800,818)
Takaful contribution earned	34,736,242	33,109,266	108,637,513	979,045	10,786,873	188,248,939
Takaful contribution ceded to re-takaful operators	(32,638,783)	(26,836,845)	(5,361,199)	-	(8,649,297)	(73,486,124)
Net Takaful contribution	(8,323,416)	(3,660,356)	57,800,361	783,236	(1,637,828)	44,961,997
Re-takaful rebate	6,219,580	5,756,729	119,926	-	2,204,893	14,301,128
<b>Net revenue</b>	<b>(2,103,836)</b>	<b>2,096,373</b>	<b>57,920,287</b>	<b>783,236</b>	<b>567,065</b>	<b>59,263,125</b>
Takaful claims	(27,787,036)	(2,006,569)	(76,427,750)	(679,118)	(5,418,328)	(112,318,801)
Takaful claims recovered from re-takaful operators	27,355,760	1,394,183	21,870,843	-	4,480,795	55,101,581
Net claims	(431,276)	(612,386)	(54,556,907)	(679,118)	(937,533)	(57,217,220)
Direct expenses	(517,848)	(452,642)	(1,560,825)	(12,518)	(185,923)	(2,729,756)
<b>(Deficit) / surplus before investment income</b>	<b>(3,052,960)</b>	<b>1,031,345</b>	<b>1,802,555</b>	<b>91,600</b>	<b>(556,391)</b>	<b>(683,851)</b>
Investment income						7,226,517
Other income						4,298,377
Mudarib fee						(2,290,699)
<b>Surplus for the period</b>						<b>8,550,344</b>
<b>Operator's Fund</b>						
Wakala fee income	10,420,875	9,932,777	45,475,953	195,809	3,775,404	69,800,818
Commission expense	(3,177,484)	(3,363,898)	(13,248,528)	(253,036)	(301,809)	(20,344,755)
Management expense	(5,462,221)	(4,774,439)	(16,463,473)	(132,044)	(1,961,100)	(28,793,277)
	<b>1,781,170</b>	<b>1,794,440</b>	<b>15,763,952</b>	<b>(189,271)</b>	<b>1,512,495</b>	<b>20,662,786</b>
Mudarib share of PTF investment income						2,290,699
Investment income						12,665,710
Other income						334,176
Other expenses						(910,259)
<b>Profit before tax</b>						<b>35,043,112</b>

The class wise assets and liabilities are as follows:

	December 31, 2023					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Total
	(Rupees)					
Segment assets	67,006,558	22,326,764	56,239,722	1,171,940	14,097,831	160,842,815
Unallocated assets						
Participants' Takaful Fund						171,543,835
Operator's Fund						223,551,545
Total assets						555,938,195
Segment liabilities	73,769,411	28,194,939	141,824,441	4,617,834	15,053,068	263,459,693
Unallocated liabilities - Operator's Fund						
Participants' Takaful Fund						1,653,720
Operator's Fund						80,177,541
Total liabilities						345,290,954

	December 31, 2022					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Total
	(Rupees)					
Segment assets	60,740,596	12,357,710	51,695,934	220,479	15,183,546	140,198,265
Unallocated assets						
Participants' Takaful Fund						137,094,729
Operator's Fund						171,977,536
Total assets						449,270,530
Segment liabilities	67,959,145	17,615,304	140,397,725	265,190	17,905,472	244,142,836
Unallocated liabilities - Operator's Fund						
Participants' Takaful Fund						1,612,292
Operator's Fund						66,505,955
Total liabilities						312,261,083

## 32. MOVEMENT IN INVESTMENTS - OPF

	Available for sale ---- (Rupees) ----
<b>Balance as at January 01, 2022</b>	105,036,455
Additions	98,050,752
Disposals	(86,820,872)
Fair value net gains (excluding net realized gains / losses)	1,360,112
<b>Balance as at January 01, 2023</b>	<b>117,626,447</b>
Additions	374,474,606
Disposals	(345,768,474)
Fair value net gains (excluding net realized gains / losses)	4,724,600
<b>Balance as at December 31, 2023</b>	<b>151,057,179</b>

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

## 33. MOVEMENT IN INVESTMENTS - PTF

	Available for sale	Held to maturity	Total
	-----	(Rupees) -----	
<b>Balance as at January 01, 2022</b>	20,506,970	500,000	21,006,970
Additions	98,686,085	-	98,686,085
Disposals	(30,840,789)	(500,000)	(31,340,789)
Fair value net gains (excluding net realized gains / losses)	232,321	-	232,321
<b>Balance as at January 01, 2023</b>	88,584,587	-	88,584,587
Additions	94,521,630	-	94,521,630
Disposals	(81,664,923)	-	(81,664,923)
Fair value net gains (excluding net realized gains / losses)	2,945,614	-	2,945,614
<b>Balance as at December 31, 2023</b>	<b>104,386,908</b>	<b>-</b>	<b>104,386,908</b>

## 34. MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

### 34.1 TAKAFUL RISK

The risk under any takaful contract is the possibility that the covered event occurs and the uncertainty in the amount of compensation to the participant. Generally, most takaful contracts carry the takaful risk for a period of one year (refer note 4.1).

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

#### a) Frequency and severity of claims

Risk associated with general takaful contracts includes the reasonable possibility of significant loss as well as the frequent occurrence of the takaful events. This has been managed by having in place underwriting strategy, re-takaful arrangements and proactive claim handling procedures. The re-takaful arrangements against major risk exposure include excess of loss, quota arrangements, facultative arrangements and catastrophic coverage. The objective of having such arrangements is to mitigate adverse impacts of severe losses on operation's net retentions.

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

	<b>Maximum gross risk exposure</b>	
<b>Class</b>	<b>2023</b>	<b>2022</b>
	-----	(Rupees) -----
Fire and property	<b>1,057,246,000</b>	763,800,000
Marine, aviation and transport	<b>379,893,000</b>	307,443,000
Motor	<b>45,500,000</b>	45,000,000
Accident and Health	<b>10,000,000</b>	100
Miscellaneous	<b>399,671,000</b>	1,381,980,000

The re-takaful arrangements against major risk exposure include excess of loss, quota arrangements, facultative arrangements and catastrophic coverage. The objective of having such arrangements is to mitigate adverse impacts of severe losses on operation's net retentions. In compliance of regulatory, re-takaful agreement are duly approved by Securities and Exchange Commission of Pakistan (SECP) on an annual basis.

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

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

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

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

## c) Process used to decide on assumptions

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

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

The actuary determines adequacy of liability of contribution deficiency by carrying out analysis of its loss ratio of expired periods of the contracts. For this purpose average loss ratio of last three years inclusive of claim settlement cost are taken into consideration to determine ultimate loss ratio to be applied on unearned contribution.

The loss ratios estimated on these basis for the unexpired portion are as follows:

Class	2023 ----- (%)	2022 -----
Fire and property damage	6	6
Marine, aviation and transport	3	7
Motor	46	47
Accident & Health	69	49
Miscellaneous	14	12

## d) Changes in assumptions

The Operator did not change its assumptions as disclosed in (b) and (c) above.

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

## e) Sensitivity Analysis

The takaful claim liabilities are sensitive to the incidence of insured events and severity / size of claims. The impact of variation in incidence of insured events on gross claim liabilities, net claim liabilities, profit before tax and equity is as follows:

	Underwriting results		Accumulated Surplus	
	2023	2022	2023	2022
	----- (Rupees) -----			
<b>Impact of change in claim liabilities by +10%</b>				
Fire and property damage	(117,254)	(43,128)	(117,254)	(43,128)
Marine, aviation and transport	9,366	(61,239)	9,366	(61,239)
Motor	(5,073,618)	(5,455,691)	(5,073,618)	(5,455,691)
Accident & Health	(146,044)	(67,912)	(146,044)	(67,912)
Miscellaneous	2,860	(93,753)	2,860	(93,753)
	<u>(5,324,690)</u>	<u>(5,721,723)</u>	<u>(5,324,690)</u>	<u>(5,721,723)</u>
<b>Impact of change in claim liabilities by -10%</b>				
Fire and property damage	117,254	43,128	117,254	43,128
Marine, aviation and transport	(9,366)	61,239	(9,366)	61,239
Motor	5,073,618	5,455,691	5,073,618	5,455,691
Accident & Health	146,044	67,912	146,044	67,912
Miscellaneous	(2,860)	93,753	(2,860)	93,753
	<u>5,324,690</u>	<u>5,721,723</u>	<u>5,324,690</u>	<u>5,721,723</u>

	Change in assumption	Impact on gross liabilities	Impact on net liabilities	Impact on surplus / deficit	Impact on Fund
		----- (Rupees) -----			
<b>Average claim costs</b>					
2023	± 10%	11,431,945	5,324,690	5,324,690	5,324,690
2022	± 10%	11,231,880	5,721,722	5,721,722	5,721,722

## Statement of Age-wise Breakup of Unclaimed Takaful Benefits

Statement of age-wise breakup of unclaimed takaful benefits is not presented as there are no unclaimed takaful benefits.

## Re-takaful risk

Re-takaful ceded does not relieve the PTF from its obligation towards participants and, as a result, the PTF remains liable for the portion of outstanding claims covered through re-takaful to the extent that re-takaful operators fails to meet the obligation under the re-takaful agreements.

To minimise its exposure to significant losses from re-takaful operators' insolvencies, the operations obtain re-takaful rating from a number of re-takaful operators, who are dispersed over several geographical regions.

An analysis of all re-takaful assets recognised by the rating of the entity from which it is due is as follows:

	Amount due from other takaful / re-takaful holders	Re-takaful recoveries against outstanding claims	December 31, 2023	December 31, 2022
	(Rupees)			
<b>Rating</b>				
A or above including Pakistan Reinsurance Company Limited	37,977,581	15,803,198	<b>53,780,779</b>	54,508,043
B or Above	-	1,235,123	<b>1,235,123</b>	3,792,208
	<u>37,977,581</u>	<u>17,038,321</u>	<b><u>55,015,902</u></b>	<u>58,300,251</u>

## 34.2 Financial risk management objectives and policies

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

- Market risk
- Liquidity risk
- Credit risk

### 34.2.1 Market risk

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

#### 34.2.1.1 Interest Rate Risk

	2023		
	Effective rate % per annum	Profit bearing financial instruments Maturity upto one year	Non-profit bearing financial instruments
	(Rupees)		
<b>Financial assets</b>			<b>Total</b>
Investments			
Equity securities / Mutual funds	-	255,444,087	<b>255,444,087</b>
Loans and other receivables	-	5,227,536	<b>5,227,536</b>
Takaful / retakaful receivables	-	66,982,420	<b>66,982,420</b>
Receivable from PTF	-	49,848,274	<b>49,848,274</b>
Retakaful recoveries against outstanding claims	-	17,038,321	<b>17,038,321</b>
Cash and bank	4.75 to 19.25	<u>76,742,320</u>	<u>76,742,320</u>
		76,742,320	<b>394,540,638</b>
			<b><u>471,282,958</u></b>

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

2023			
Effective rate % per annum	Profit bearing financial instruments Maturity upto one year	Non-profit bearing financial instruments	Total
	----- (Rupees) -----		
<b>Financial liabilities</b>			
Outstanding claims including IBNR	-	58,028,817	<b>58,028,817</b>
Payable to OPF	-	49,848,274	<b>49,848,274</b>
Takaful / Re-takaful payables	-	45,118,514	<b>45,118,514</b>
Other creditors and accruals	-	20,613,872	<b>20,613,872</b>
	-	173,609,477	<b>173,609,477</b>
<b>Interest risk sensitivity gap</b>	<b>76,742,320</b>	<b>220,931,161</b>	<b>297,673,481</b>
<b>Cumulative interest risk sensitivity gap</b>	<b>76,742,320</b>		
2022			
Effective rate % per annum	Profit bearing financial instruments Maturity upto one year	Non-profit bearing financial instruments	Total
	----- (Rupees) -----		
<b>Financial assets</b>			
Investments			
Equity securities / Mutual funds	-	206,211,034	206,211,034
Loans and other receivables	-	1,945,901	1,945,901
Takaful / retakaful receivables	-	48,077,315	48,077,315
Receivable from PTF	-	41,289,596	41,289,596
Retakaful recoveries against outstanding claims	-	33,235,597	33,235,597
Cash and bank	3.25 - 8.28	52,826,385	52,826,385
	52,826,385	330,759,443	383,585,828
<b>Financial liabilities</b>			
Outstanding claims including IBNR	-	73,651,766	73,651,766
Payable to OPF	-	41,289,596	41,289,596
Takaful / Re-takaful payables	-	38,387,930	38,387,930
Other creditors and accruals	-	22,805,871	22,805,871
	-	176,135,163	176,135,163
<b>Interest risk sensitivity gap</b>	<b>52,826,385</b>	<b>154,624,280</b>	<b>207,450,665</b>
<b>Cumulative interest risk sensitivity gap</b>	<b>52,826,385</b>		

#### 34.2.1.2 Profit rate risk

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

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

All financial assets of the operations are non profit bearing except for cash and bank deposits ranging profit from 4.75% to 19.25% (2022: 3.25% to 8.28%) and certificate of Islamic investment ranging from Nil (2022: 6.57% to 6.99%).

#### 34.2.1.3 Foreign Currency risk

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

#### 34.2.1.4 Other price risk

Other price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Operations at present, is not materially exposed to other price risk.

Sensitivity analysis of investments as at the reporting date is as follows:

For available-for-sale investments in case of 10% increase / decrease in prices at the reporting date, the profit and loss account and Operator's Fund would have been higher / lower by Rs. 15.11 million.

For available-for-sale investments in case of 10% increase / decrease in prices at the reporting date, the surplus / (deficit) and Participant's Fund would have been higher / lower by Rs. 10.44 million.

#### 34.2.2 Liquidity risk

Liquidity risk is the risk that the Operations will not be able to meet its financial obligations as they fall due. The Operations approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the operation's reputation. The following are the contractual maturities of financial liabilities based on the remaining period at the reporting date to maturity date.

The table below summaries the maturity profile of the financial liabilities. The contractual maturities of these liabilities at the year end have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which these liabilities will be settled.

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

## Participants' Fund

	2023			Total
	With in one year	Over one year to five year	Over five year	
	(Rupees)			
<b>Financial liabilities</b>				
Provision for outstanding claims (including IBNR)	58,028,817	-	-	58,028,817
Takaful / re-takaful payables	45,118,514	-	-	45,118,514
Payable to Operator's Fund	49,848,274	-	-	49,848,274
Other creditors and accruals	391,618	-	-	391,618
	<b>153,387,223</b>	<b>-</b>	<b>-</b>	<b>153,387,223</b>

	2022			Total
	With in one year	Over one year to five year	Over five year	
	(Rupees)			
<b>Financial liabilities</b>				
Provision for outstanding claims (including IBNR)	73,651,766	-	-	73,651,766
Takaful / re-takaful payables	38,387,930	-	-	38,387,930
Payable to Operator's Fund	41,289,596	-	-	41,289,596
Other creditors and accruals	188,810	-	-	188,810
	<b>153,518,102</b>	<b>-</b>	<b>-</b>	<b>153,518,102</b>

## Operator's Fund

	2023			Total
	With in one year	Over one year to five year	Over five year	
	(Rupees)			
<b>Financial liabilities</b>				
Other creditors and accruals	20,222,254	-	-	20,222,254

	2022			Total
	With in one year	Over one year to five year	Over five year	
	(Rupees)			
<b>Financial liabilities</b>				
Other creditors and accruals	22,617,061	-	-	22,617,061

### 34.2.3 Credit risk

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

#### 34.2.3.1 Concentration of credit risk and credit exposure of the financial instruments

Credit risk of the Operator arises principally from the bank balances, investments and due from takaful contract holders. To reduce the credit risk the Company has developed a formal approval process whereby credit limits are applied to its participants. The management continuously monitors the credit exposure towards the policyholders and other insurers / reinsurers and makes provision against those balances considered doubtful of recovery.

##### Bank Balances

The bank balances and deposits represents low credit risk as they are placed with reputed financial institutions with strong credit ratings. The credit quality of bank balances can be assessed with reference to external credit ratings as follows:

Bank	Long Term Rating	Rating Agency	December 31, 2023	December 31, 2022
----- (Rupees) -----				
<b>Operator's Fund</b>				
Meezan Bank Limited	AAA	VIS	<b>1,905,616</b>	6,240,537
Bank Islamic Pakistan Limited	AA-	PACRA	<b>12,815,396</b>	-
			<b>14,721,012</b>	6,240,537
<b>Participants' Fund</b>				
Meezan Bank Limited	AAA	VIS	<b>16,938,507</b>	6,866,667
Al Baraka Bank (Pakistan) Limited	A+	VIS	<b>72,351</b>	68,325
Bank Islamic Pakistan Limited	AA-	PACRA	<b>44,557,433</b>	35,601,649
Dubai Islamic Bank (Pakistan) Limited	AA	VIS	<b>443,017</b>	4,049,207
			<b>62,011,308</b>	46,585,848

##### Investments

The Operator's investments are in open end mutual funds which can be liquidate by encashment of units at the counter of mutual funds.

The credit quality of all the mutual funds is A or above.

##### Due from takaful contract holders

Concentration of credit risk arises when a number of counter parties have a similar type 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. The Operator manages concentration of credit risk through diversification of activities among individuals, groups and industry segment.

The management monitors exposure to credit risk in contribution receivable from group companies and corporate clients through regular review of credit exposure and prudent estimates of provision for doubtful balances. The age analysis of due from takaful contract holders at the reporting date is as follows:

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2023

	2023		2022	
	Gross	Impairment	Gross	Impairment
	(Rupees)			
Upto 1 year	27,896,065	-	21,159,629	-
1-2 years	(337,488)	-	476,252	-
2-3 years	(168,284)	-	186,483	-
Over 3 years	(177,166)	-	-	-
	<u>27,213,127</u>	<u>-</u>	<u>21,822,364</u>	<u>-</u>

## 35. STATEMENT OF SOLVENCY - PTF

### Assets

#### Investments

Equity securities / mutual funds	104,386,908	88,584,587
Loans and other receivables	5,145,619	1,924,294
Takaful / retakaful receivables	66,982,420	48,077,315
Retakaful recoveries against outstanding claims	17,038,321	33,235,597
Deferred wakala fee	37,199,673	32,561,463
Prepaid retakaful contribution ceded	39,622,401	26,323,890
Cash and bank	62,011,308	46,585,848

#### Total assets

December 31, 2023      December 31, 2022

Note      (Rupees)

	332,386,650	277,292,994
--	-------------	-------------

In-admissible assets as per following clauses section 32(2) of Insurance Ordinance 2000.

#### Investments

Takaful / re-takaful receivables	1,269,893	-
Loan and other receivables	16,985,540	13,443,107
	3,645,602	1,498,148

#### Total of In-admissible assets

21,901,035	14,941,255
------------	------------

#### Total of admissible assets

310,485,615	262,351,739
-------------	-------------

### Liabilities

#### Underwriting provisions

Outstanding claims including IBNR	58,028,817	73,651,766
Unearned contribution reserves	100,459,970	83,797,315
Unearned re-takaful rebate	7,694,676	5,264,885
Contribution received in advance	2,064,425	1,491,125
Payable to Operator's Fund	49,848,274	41,289,596
Takaful / Re-takaful payables	45,118,514	38,387,930
Other creditors and accruals	1,898,737	1,872,511

#### Total liabilities

265,113,413	245,755,128
-------------	-------------

#### Total net admissible assets

45,372,202	16,596,611
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- 35.1 The law is silent with regard to the inadmissibility of the "Prepaid re-takaful contribution ceded" and "Deferred wakala fee" in Section 32(2) of the Insurance Ordinance, 2000 and, hence, these have been treated as admissible assets for the purpose of this statement.

## 36. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

December 31, 2023								
Carrying amount					Fair value			
Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)								
<b>Financial assets measured at fair value</b>								
Investments in mutual funds	255,444,087	-	-	- 255,444,087	-	255,444,087	-	255,444,087
<b>Financial assets not measured at fair value</b>								
Loans and receivables*	-	- 1,581,934	-	1,581,934	-	-	-	-
Takaful / Re-takaful receivables*	-	- 66,982,420	-	66,982,420	-	-	-	-
Re-takaful recoveries against outstanding claims*	-	- 17,038,321	-	17,038,321	-	-	-	-
Receivable from Participants' Takaful Fund	-	- 49,848,274	-	49,848,274	-	-	-	-
Cash and bank*	-	- 76,742,320	-	76,742,320	-	-	-	-
	255,444,087	- 212,193,269	-	467,637,356	-	255,444,087	-	255,444,087
<b>Financial liabilities not measured at fair value</b>								
Provision for outstanding claims (including IBNR)*	-	-	- (58,028,817)	(58,028,817)	-	-	-	-
Payable to Operator's Fund	-	-	- (49,848,274)	(49,848,274)	-	-	-	-
Takaful / Retakaful payables*	-	-	- (45,118,514)	(45,118,514)	-	-	-	-
Other creditors and accruals*	-	-	- (20,613,872)	(20,613,872)	-	-	-	-
	-	-	- (173,609,477)	(173,609,477)	-	-	-	-
December 31, 2022								
Carrying amount					Fair value			
Available-for-sale	Held to maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)								
<b>Financial assets measured at fair value</b>								
Investments in mutual funds	206,211,034	-	-	- 206,211,034	-	206,211,034	-	206,211,034
<b>Financial assets not measured at fair value</b>								
Loans and receivables*	-	- 447,753	-	447,753	-	-	-	-
Takaful / Re-takaful receivables*	-	- 48,077,315	-	48,077,315	-	-	-	-
Re-takaful recoveries against outstanding claims*	-	- 33,235,597	-	33,235,597	-	-	-	-
Receivable from Participants' Takaful Fund	-	- 41,289,596	-	41,289,596	-	-	-	-
Cash and bank*	-	- 52,836,385	-	52,836,385	-	-	-	-
	206,211,034	- 175,886,646	-	382,097,680	-	206,211,034	-	206,211,034
<b>Financial liabilities not measured at fair value</b>								
Provision for outstanding claims (including IBNR)*	-	-	- (73,651,766)	(73,651,766)	-	-	-	-
Payable to Operator's Fund	-	-	- (41,289,596)	(41,289,596)	-	-	-	-
Takaful / Retakaful payables*	-	-	- (38,387,930)	(38,387,930)	-	-	-	-
Other creditors and accruals*	-	-	- (22,805,871)	(22,805,871)	-	-	-	-
	-	-	- (176,135,163)	(176,135,163)	-	-	-	-

# Notes to and Forming Part of the Financial Statements

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\* The operations has not disclosed the fair value of these items because their carrying amounts are a reasonable approximation of fair value.

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The operations 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).

During the year ended December 31, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

## Valuation techniques used in determination of fair values within level 2 and level 3:

Level 2: Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV and PKFRV rates as announced by Mutual Funds Association of Pakistan (MUFAP).

## 37. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on March 13, 2024.

## 38. GENERAL

**38.1** Corresponding figures have been rearranged or reclassified, wherever necessary for better presentation. However, there are no material reclassifications to report.

**38.2** Figures in these financial statements have been rounded off to the nearest rupee, unless otherwise stated.

Iqbal Ali Lakhani  
Chairman

Amin Mohammed Lakhani  
Director

Aftab Ahmad  
Director

Mohammad Hussain Hirji  
Director & Chief Executive

Sabza Ali Pirani  
Chief Financial Officer



# Century Insurance Company Limited

## Form of Proxy

I/We \_\_\_\_\_

of \_\_\_\_\_

a member of CENTURY INSURANCE COMPANY LIMITED hereby

appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_

who is/are also member/s of Century Insurance Company Limited to act as my/our proxy and to vote for me/us and on my/our behalf at the Annual General Meeting of the shareholders of the Company to be held on the 23rd day of April 2024 or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

Folio No.	CDC Participant ID No	CDC Account/ Sub-Account No	No. of shares held

Signature

Witness 1

Signature \_\_\_\_\_

Name \_\_\_\_\_

CNIC No. \_\_\_\_\_

Address \_\_\_\_\_

Witness 2

Signature \_\_\_\_\_

Name \_\_\_\_\_

CNIC No. \_\_\_\_\_

Address \_\_\_\_\_

### Notes:

1. The proxy must be a member of the Company.
2. The signature must tally with the specimen signature/s registered with the Company.
3. If a proxy is granted by a member who has deposited his/her shares in Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and CDC account/sub-account number alongwith attested photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
4. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting, excluding holidays.



## سینچری انشورنس کمپنی لمیٹڈ

### مختار نامہ (پراکسی فارم)

میں / ہم  
ساکن  
بحیثیت رکن (ممبر) سینچری انشورنس کمپنی لمیٹڈ مقرر کرتا / کرتی ہوں / کرتے ہیں مسمیٰ / مسماۃ  
ساکن  
کو یا ان کی غیر حاضری میں مسمیٰ / مسماۃ  
ساکن

کوجو خود بھی سینچری انشورنس کمپنی لمیٹڈ کا رکن ہے کہ وہ بطور میرا / ہمارا مختار (پراکسی) سینچری انشورنس کمپنی لمیٹڈ کے سالانہ اجلاس عام جو ۲۳ اپریل ۲۰۲۲ کو منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری / ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ \_\_\_\_\_ ۲۰۲۲ کو میرے / ہمارے دستخط سے جاری ہوا۔

فولیو نمبر	سی ڈی سی کھاتہ نمبر	سی ڈی سی پارٹنیشن ای ڈی	حصص کی تعداد

دستخط

#### گواہ نمبر ۲

دستخط  
نام  
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر  
پتہ

#### گواہ نمبر ۱

دستخط  
نام  
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر  
پتہ

#### ہدایات:

- ۱۔ مختار (پراکسی) کا کمپنی کا رکن (ممبر) ہونا ضروری ہے۔
- ۲۔ ممبر (رکن) کے دستخط، نمونہ شدہ دستخط / اندراج شدہ دستخط سے مماثلت ہونا ضروری ہے۔
- ۳۔ سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ ادارے کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔
- ۴۔ مختار نامہ (پراکسی فارم) مکمل پر شدہ کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقررہ وقت سے کم از کم ۴۸ گھنٹے قبل جمع کرنا ضروری ہے، چھٹیوں کے علاوہ۔



# CENTURY INSURANCE COMPANY LIMITED

Registered Office: Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200

Ph: + 92 21 3840 0000 Fax No. + 92 21 3568 4336

Email: [chairman@cicl.com.pk](mailto:chairman@cicl.com.pk) Website: <https://www.cicl.com.pk/>

## Ballot Paper for Voting Through Post

(In person and virtual meeting to be held at 03:00 pm on Tuesday, April 23, 2024)

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: [chairman@cicl.com.pk](mailto:chairman@cicl.com.pk)

Name of Shareholder / Joint shareholders	
Registered Address	
Number of shares held (on April 15, 2024) and Folio Number	
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.)	

I/we hereby exercise my/our vote in respect of the below resolution through ballot by conveying my/our assent or dissent to the following resolution by placing tick ( ✓ ) mark in the appropriate box below:

Description of Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<b>AGENDA ITEM NO. 4 (a)(b)</b> "RESOLVED that the transactions carried out in normal course of business with associated companies/related parties as disclosed in Note No. 35 & 30 of the audited financial statements (Conventional and Window Takaful Operations respectively) for the year ended December 31, 2023 be and are hereby ratified and approved."  "FURTHER RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending December 31, 2024 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."		

Signature of Shareholder(s)

Place:

Date:

### NOTES/PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

- Duly filled and signed original postal ballot should be sent to the Chairman Mr. Iqbal Ali Lakhani, CENTURY INSURANCE COMPANY LIMITED at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, or a scanned copy of the original postal ballot to be emailed at: [chairman@cicl.com.pk](mailto:chairman@cicl.com.pk)
- Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Postal ballot forms should reach Chairman of the meeting on or before April 22, 2024 during working hours. Any postal ballot received after this date, will not be considered for voting.
- Signature on postal ballot should match the signature on CNIC/Passport (in case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot papers will be rejected.
- In case of representative of body corporate and corporation, postal ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board Resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable, unless these have already been submitted along with the Proxy Form. In case of foreign body corporate etc. all documents must be attested from the Counsel General of Pakistan having jurisdiction over the member.
- Ballot paper has also been placed on the website of the Company <https://www.cicl.com.pk/>. Members may download the ballot paper from the website or use original/photocopy published in newspapers.



## سینچری انشورنس کمپنی لمیٹڈ

رجسٹرڈ شدہ دفتر: بکس اسکوائر، بلڈنگ نمبر 2، سرور شہید روڈ، کراچی-74200

فون نمبر: 0000 3840 21 92 + فیکس نمبر: 4336 21 92 +

ای میل: chairman@cicl.com.pk / ویب سائٹ: http://www.cicl.com.pk

### بیلٹ پیپر برائے ووٹنگ بذریعہ ڈاک

(ذاتی حاضری کے ساتھ اور رورچوٹیل اجلاس 23 اپریل 2024 بروز منگل بوقت 3:00 بجے شام منعقد کیا جائے گا)

چیئر مین کا ای میل ایڈریس جس پر پر شدہ بیلٹ فارم ارسال کیا جاسکتا ہے: chairman@cicl.com.pk

شیر ہولڈرز/جوائنٹ شیر ہولڈرز کے نام	
رجسٹرڈ شدہ پتہ	
(بتاریخ 15 اپریل 2024) شیرز کی تعداد اور فلیو نمبر	
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر/پاسپورٹ نمبر (بصورت غیر ملکی) (نقول منسلک کی جائیں)	
اضافی معلومات اور منسلک دستاویزات (بصورت نمائندہ برائے کاروباری ادارے، کارپوریشن اور وفاقی حکومت)	

میں/ہم بذریعہ ہذا اپنا/اپنے ووٹ بابت مندرجہ ذیل قرارداد بذریعہ پوسٹل بیلٹ متعلقہ خانے میں (م) کا نشان لگا کر اس کے حق یا مخالفت میں ووٹ دے رہا ہوں/ہیں:

قرارداد کی تفصیلات	میں/ہم قرارداد کے حق میں ووٹ دیتا ہوں/دیتے ہیں۔ (حق میں)	میں/ہم قرارداد کے خلاف ووٹ دیتا ہوں/دیتے ہیں۔ (مخالفت میں)
ایجنڈا آئٹم نمبر 4 (الف) (ب) "قرارداد یا جاتا ہے کہ عمومی کاروباری طریقوں کے مطابق منسلک متعلقہ کمپنیوں کے ساتھ کئے گئے لین دین کے معاملات، جیسا کہ آڈٹ شدہ مالیاتی دستاویزات بابت مالی سال اختتامیہ 31 دسمبر 2023 کے نوٹ نمبر 35 اور 30 بیان کیا جا چکا ہے، کی بذریعہ ہذا توثیق کی جاتی ہے اور انکی منظوری دی جاتی ہے۔" "مزید قرارداد یا جاتا ہے کہ کمپنی کے چیف ایگزیکٹو آفیسر اس بات کے مجاز ہیں نیز انہیں بات کا مجاز بنایا جاتا ہے کہ آئندہ مالی سال اختتامیہ 31 دسمبر 2024 کے دوران کمپنی سے منسلک متعلقہ کمپنیوں کے ساتھ معمول کے کاروباری حالات میں کئے جانے والے لین دین کے معاملات کا انہیں اختیار حاصل ہے اور اس ضمن میں کمپنی کے چیف ایگزیکٹو آفیسر تمام ضروری اقدامات اٹھانے کے مجاز ہیں، اس سلسلے میں کمپنی کی جانب سے متعلقہ حسب ضرورت دستاویزات پر دستخط کرنے اور ان پر عمل کرنے کا اختیار بھی انہیں حاصل ہے۔"		

دستخط شیر ہولڈر/ہولڈرز: \_\_\_\_\_ مقام: \_\_\_\_\_ تاریخ: \_\_\_\_\_

نوش/بیلٹ پیپر جمع کروانے کا طریقہ کار:

- 1- باقاعدہ پر شدہ اور دستخط شدہ اصل پوسٹل بیلٹ چیئر مین جناب اقبال علی لاکھانی، سینچری انشورنس کمپنی لمیٹڈ بمقام بکس اسکوائر، بلڈنگ نمبر 2، سرور شہید روڈ، کراچی-74200 کو ارسال کی جائے یا اصل پوسٹل بیلٹ کی اسکین شدہ نقل ای میل ایڈریس: chairman@cicl.com.pk پر بھیجی جائے۔
- 2- پوسٹل بیلٹ فارم کے ساتھ کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ (بصورت غیر ملکی) کی نقول منسلک کرنا لازم ہے۔
- 3- پوسٹل بیلٹ فارم چیئر مین اجلاس کو 22 اپریل 2024 تک یا اس سے قبل دوران اوقات کار موصول ہو جانے چاہئیں۔ مذکورہ تاریخ کے بعد موصول ہونے والے پوسٹل بیلٹس کو ووٹنگ میں شمار نہیں کیا جائے گا۔
- 4- پوسٹل بیلٹ پر ممبران کے دستخطوں کا ان کے کمپیوٹرائزڈ قومی شناختی کارڈ/پاسپورٹ (بصورت غیر ملکی) کے مطابق ہونا لازم ہے۔
- 5- نامکمل، غیر دستخط شدہ، غلط پر شدہ فارم، چھٹے ہوئے اور خراب شدہ فارم کو مسترد کر دیا جائے گا۔
- 6- کاروباری اداروں یا کارپوریشنوں کے نمائندگان کی صورت میں، پوسٹل بیلٹ کے ساتھ مجاز فرد کے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقول منسلک کرنا لازم ہے، علاوہ ازیں کمپنیز ایکٹ 2017 سیکشن 138 یا 139 جیسا بھی صورت ہو، کے مطابق بیلٹ کے ساتھ بورڈ کی قرارداد، پورا انارنی کی مصدقہ نقول یا اتھارٹی لیٹر کا منسلک کیا جانا لازم ہے، اگر یہ دستاویزات اس سے قبل پر کسی فارم کے ساتھ جمع نہیں کروائی گئی ہیں۔ غیر ملکی کاروباری اداروں کی صورت میں تمام دستاویزات کا مجاز تو تفصل جزل آف پاکستان سے تصدیق شدہ ہونا لازم ہے۔
- 7- بیلٹ پیپر کمپنی کی ویب سائٹ http://www.cicl.com.pk پر بھی دستیاب ہے۔ ممبران کمپنی کی ویب سائٹ سے اس فارم کو ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع کردہ بیلٹ پیپر کی اصل یا فوٹوکاپی بھی استعمال کی جاسکتی ہے۔

# Network

## Head Office

11<sup>th</sup> Floor, Lakson Square, Building # 3,  
Sarwar Shaheed Road, Karachi-74200.  
UAN: (021) 111-111-717 Fax: (021) 35671665  
Email: info@cicl.com.pk

## Karachi Clifton Office

Office # 504-505, 5<sup>th</sup> Floor, Marine Point,  
DC 1, Block-9, Clifton, Karachi.  
Tel: (021) 35309234-36 Fax: (021) 35309237

## Islamabad Office

Office # 6, Kashmir Plaza, Jinnah Avenue,  
Blue Area, Islamabad.  
UAN: (051) 111-111-717 Fax: (051) 2870228

## Faisalabad Office

2<sup>nd</sup> Floor, Legacy Tower, Kohinoor City,  
Faisalabad.  
UAN: (041) 111-111-717 Fax: (041) 8554453

## Sialkot Office

Al Khalil Centre, 1st Floor, Office No. 215-216  
Kashmir Road, Near China Chowk, Sialkot.  
Tel: (052) 3241703-7

## Gujranwala Office

2<sup>nd</sup> Floor, Gujranwala Business Centre,  
Opp. Gujranwala Chamber of Commercial &  
Industry Trust Plaza, Gujranwala.  
Tel: (055) 3840034-35

## Registered and Corporate Office

Lakson Square, Building # 2, Sarwar Shaheed Road,  
Karachi-74200.  
Tel: (021) 38400000 Fax: (021) 35683410

## Khalid Bin Waleed Road Office

Office # 901 - 902, 9<sup>th</sup> Floor,  
Dulara Business Centre, Plot # 19,  
Maniya Co-operative Housing Society,  
Khalid Bin Waleed Road, Karachi.  
Tel: (021) 34527751-53, 34533349, 34532283

## Shahrah e Faisal Office:

Ebrahim Estates, 2<sup>nd</sup> Floor,  
D/1 Union Commercial Area,  
Block 7 & 8, Shahrah e Faisal, Karachi.  
Tel: (021) 34529155-7, 34310723-4  
Fax: (021) 34310725

## Lahore Regional Office

1<sup>st</sup> Floor, 14 Ali Block, New Garden Town, Lahore.  
UAN: (042) 111-111-717 Fax: (042) 35911176

## Multan Office

Office # 55-57, 1<sup>st</sup> Floor, Business City Plaza,  
Bosan Road, Multan.  
Tel: (061) 6211241-43 Fax: (061) 6211244

Website: [www.cicl.com.pk](http://www.cicl.com.pk)



**Century Insurance Company Limited**  
A Lakson Group Company

UAN: 111-111-717  
Website: [www.cicl.com.pk](http://www.cicl.com.pk)