



Century Insurance Company Limited
A Lakson Group Company

YOUR TRUST OUR ASSURANCE

ANNUAL REPORT 2024





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. 3.2 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.

Contents

02	Vision and Mission
04	Corporate Information
06	Products and Services
13	Core Values
14	Code of Conduct
16	Notice of Annual General Meeting
22	Corporate Calendar
23	Access to Reports and Enquiries
24	Organisation Chart
25	Performance Highlights
26	Horizontal and Vertical Analysis
28	Share Price & Volume Analysis
29	Chairman's Review Report
36	Chairman's Review Report (Urdu)
37	Directors' Report
44	Directors' Report (Urdu)
45	Board Committees
48	Management Committees
49	Pattern of Shareholding



- 51 Key Operating and Financial Data
- 52 DuPont Analysis
- 53 Gender Pay Gap
- 55 Statement of Value Addition
- 56 Statement of Compliance with the Code of Corporate Governance
- 60 Shariah Advisor's Review Report to the Board of Directors
- 62 Independent Auditor's Review Report on Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019
- 63 Statement of Compliance with the Shariah Principles
- 64 Independent Reasonable Assurance Report on Compliance with the Shariah Principles

Financial Statements

- 68 Independent Auditor's Report to the Members of Century Insurance Company Limited on the Audit of the Financial Statements
- 74 Financial Statements

Window Takaful Operations – Financial Statements

- 128 Independent Auditor's Report to the Members of Century Insurance Company Limited – Window Takaful Operations on the Audit of the Financial Statements
- 131 Financial Statements

Form of Proxy

Ballot Paper for Voting through Post

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
Mr. Jawed Akhlaq
Mr. Mohammad Hussain Hirji – Chief Executive

Advisor

Mr. Sultan Ali Lakhani

Chief Financial Officer

Mr. Nawaid Jamal

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. Nawaid Jamal

Ethics, Human Resource & Remuneration Committee

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

Sustainability Committee

Mr. Jawed Akhlaq – Chairman
Ms. Anushka 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
Samba Bank 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

11th 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 39th Annual General Meeting of Century Insurance Company Limited will be held on Tuesday, April 29, 2025 at 03:00 p.m. at ICAP Auditorium, Chartered Accountants Avenue, Block 8, Clifton, 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, 2024 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 @ 60% i.e. Rs.6.00 per share of Rs.10.00 each as recommended by the Board of Directors.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

SPECIAL RESOLUTIONS

4. To consider, to increase the authorized capital of the Company from Rs.700,000,000 to Rs.1,200,000,000 divided into 120,000,000 ordinary shares of Rs.10 each and if thought fit to pass, the following special resolution in the matter with or without amendment.

"RESOLVED that the authorized capital of the Company be and is hereby increased to Rs. 1,200,000,000 divided into 120,000,000 ordinary shares of Rs. 10 each by creation of 50,000,000 new shares of Rs. 10 each and that Clause V of the Memorandum of Association and Clause 3 of the Articles of Association of the Company be and are hereby amended accordingly."

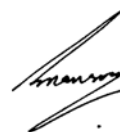
5. To consider, and if thought fit, to pass with or without modification the following resolutions as Special Resolution:

a) "RESOVLED that the transactions carried out in normal course of business with associated companies/related parties as disclosed in Note Nos. 34 & 30 of the audited financial statements (Conventional and Window Takaful Operations respectively) for the year ended December 31, 2024 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, 2025 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/executive 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 matters pertaining to item Nos.4 & 5 is being sent to the members along with the notice.

By Order of the Board



(MANSOOR AHMED)
Company Secretary

Karachi: March 24, 2025

Notes:

1. The share transfer books of the Company will remain closed from April 22, 2025 to April 29, 2025 (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 21, 2025 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 28, 2025) 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 2024 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), withholding 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: 38400000 and email address: mansoor@lakson.com.pk and/or FAMCO Share Registration Services (Pvt.) Ltd at phone: 34380101-5 and email address: 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. Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the share (Rs. 10/- each) and will be deposited within the prescribed period with the relevant authority. In case of claiming exemption, please submit your Zakat Declarations under Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981. Shareholders who holds Company's Share in physical form, please deposit their Zakat Declaration on Form CZ-50 with Company's Share Registration with mentioning Folio No. and Name. Shareholder who holds shares in book entry shall deposit their zakat declaration on Form CZ-50 with CDC Investor Account Services/CDC Participant/Stock brokers with mentioning CDS Account No. and name of shareholder.
 12. 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. 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. In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed

M/s. BDO Ebrahim & Co., a QCR rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

- a. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on April 21, 2025.
- b. The web address, and login details and password, will be communicated to members via email. The security codes (OTP) will be communicated to members through SMS and email from the web portal of M/s FAMCO Share Registration Services (Pvt.) Limited (being the e-voting service provider).
- c. Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- d. E-Voting lines will start from April 22, 2025, at 5:00 p.m. and shall close on April 28, 2025, at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a shareholder, he/she shall not be allowed to change it subsequently.

Procedure for Voting Through Postal Ballot:

The shareholders shall ensure that duly filled and signed ballot paper along with a copy of the Computerized National Identity Card (CNIC) should reach the Company Secretary through post on the Company's registered address i.e Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan or via email at mansoor@lakson.com.pk at the latest by 5:00 p.m. on April 28, 2025, one day before the AGM. The signature on the ballot paper shall match with the signature on CNIC. For the convenience of shareholders, the ballot is being published with this notice and would also be made available on the Company's website at: www.cicl.com.pk.

13. An updated list for unclaimed dividend/shares of the Company is available on the Company's website 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 Nos.4 & 5 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 of the Notice – Increase in Authorized Capital to be passed as a Special Resolution.

At present the authorized capital of the Company is Rs. 700,000,000 and the paid-up capital is Rs. 553,264,840. The Board of Directors recommends to increase the authorized capital to Rs. 1,200,000,000 in order to facilitate increase in the paid-up capital as and when required to do so, and if thought fit by the members to pass special resolution.

Agenda Item No.5(a) of the Notice – Transactions carried out with associated companies/related parties during the year ended December 31, 2024 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, 2024 with associated companies/related parties shown in Note Nos. 34 & 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.5(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, 2025 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, 2025.

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, 2023

March 11, 2024

Board of Directors' meeting to consider accounts of the Company for the year ended December 31, 2023

March 13, 2024

Audit Committee meeting to consider accounts of the Company for the quarter ended March 31, 2024

April 24, 2024

Board of Directors' meeting to consider accounts of the Company for the quarter ended March 31, 2024

April 26, 2024

Annual General Meeting of shareholders to consider accounts of the Company for the year ended December 31, 2023

April 23, 2024

Audit Committee meeting to consider accounts of the Company for the half year ended June 30, 2024

August 26, 2024

Board of Directors' meeting to consider accounts of the Company for the half year ended June 30, 2024

August 28, 2024

Audit Committee meeting to consider accounts of the Company for the quarter ended September 30, 2024

October 24, 2024

Board of Directors' meeting to consider accounts of the Company for the quarter ended September 30, 2024

October 29, 2024

Access to Reports and Enquiries

Annual Report

Annual Report 2024 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 2024 can be accessed from Century Insurance website: www.cicl.com.pk or printed copies can be obtained by writing to the Company Secretary.

Shareholders' Enquiries

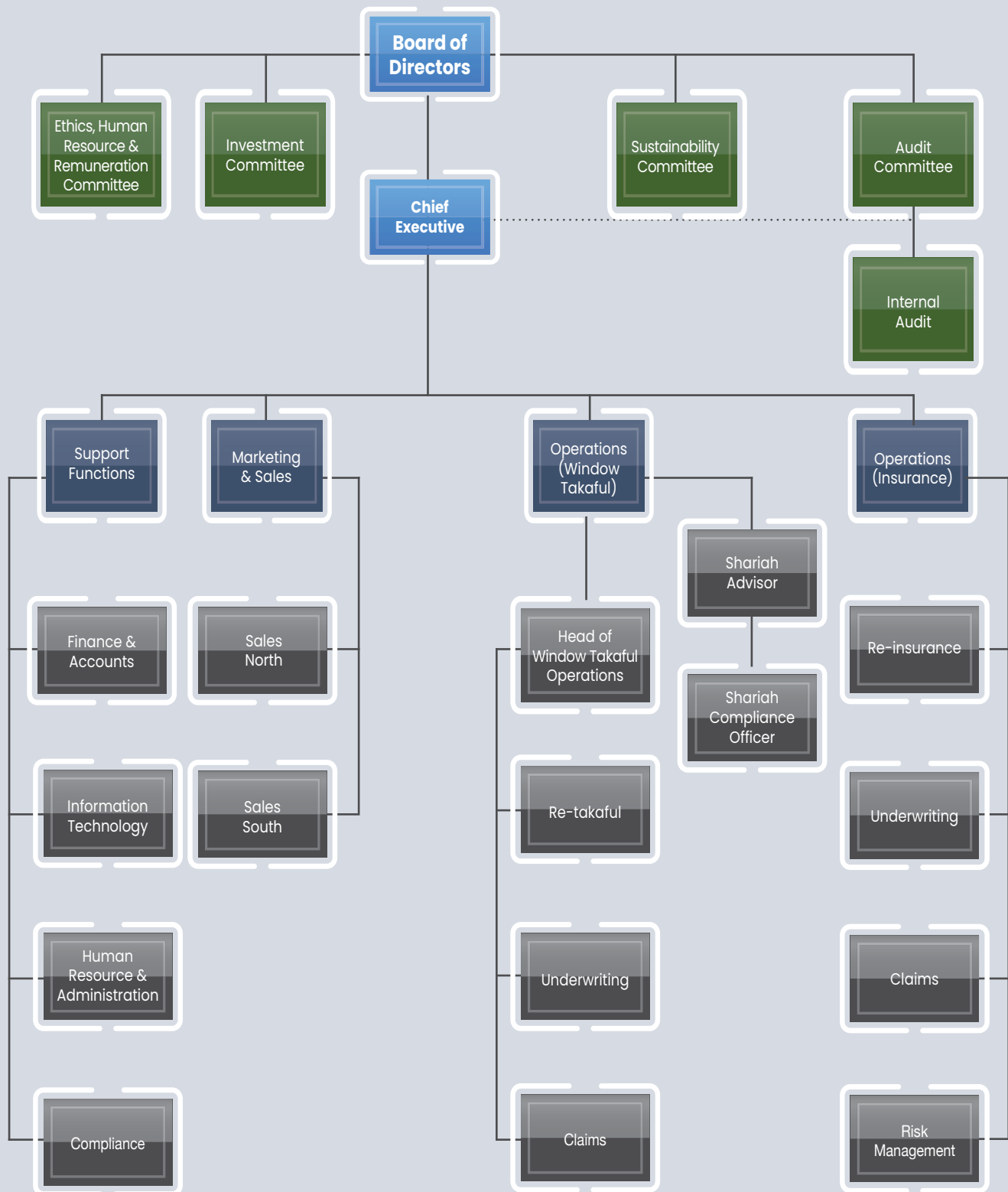
Shareholders' enquiries about their holding, dividends or share certificates should be directed either to Company's registered office or shares registrar at the following address:

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

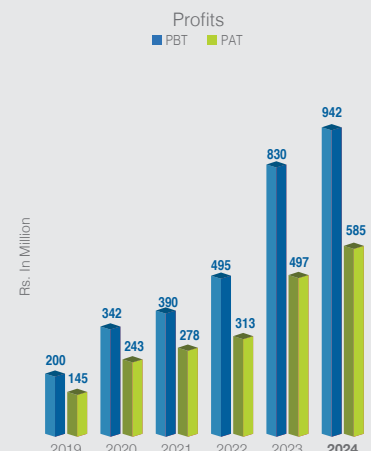
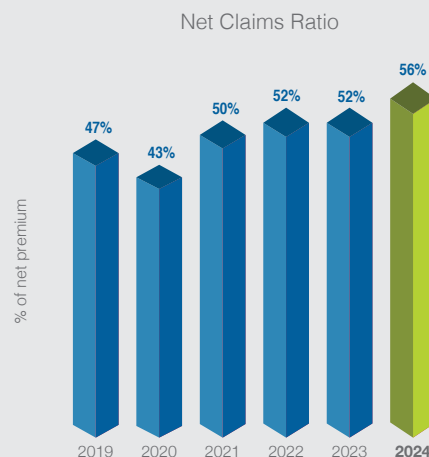
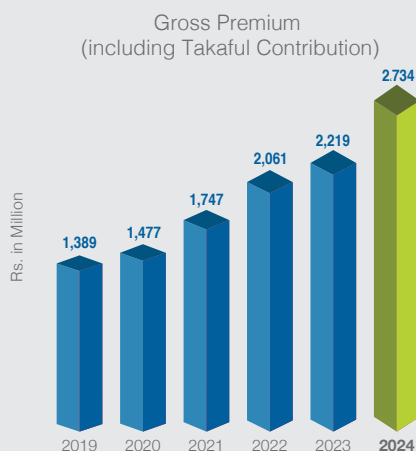
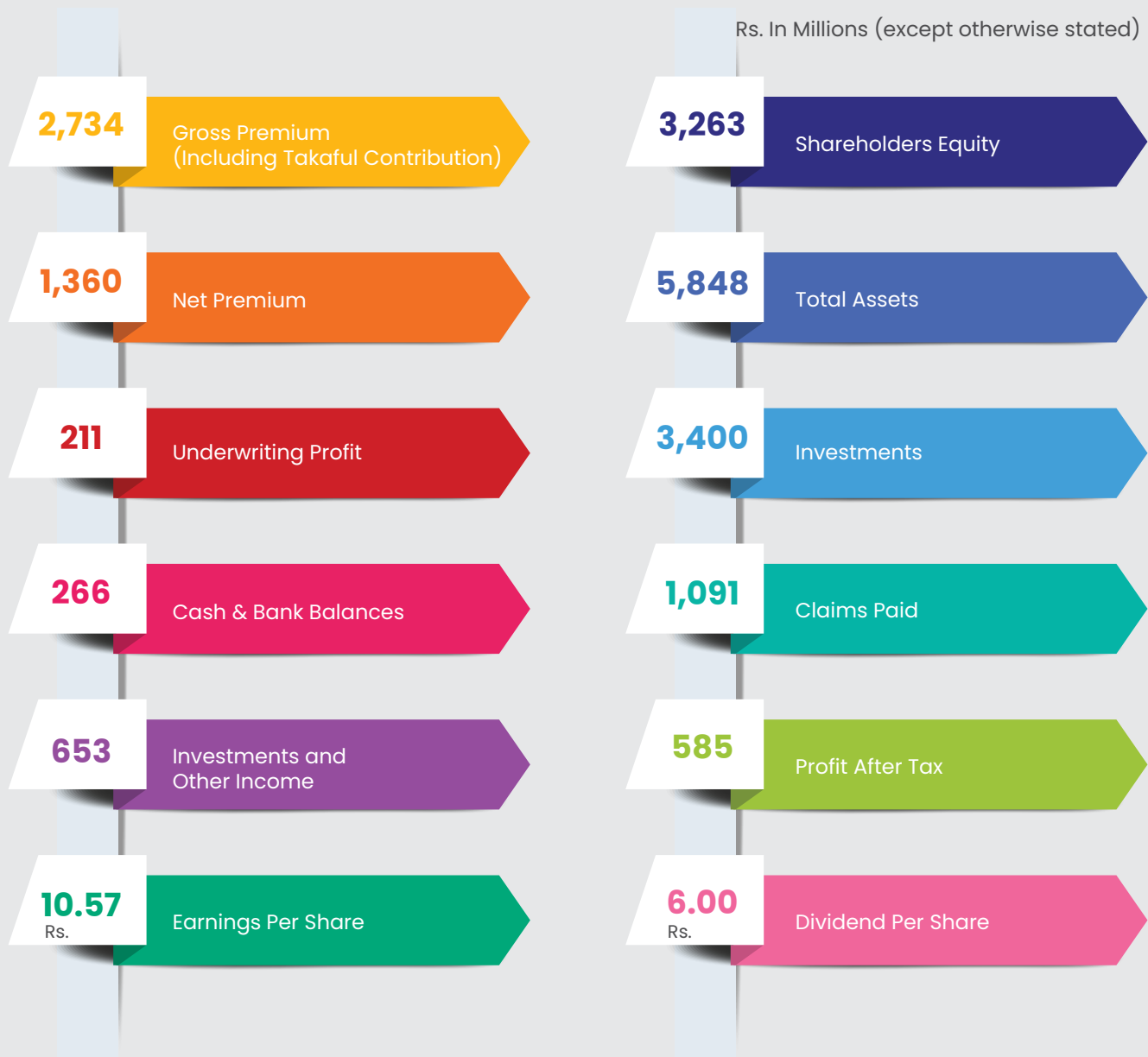
Shares of Century Insurance Company Limited are listed on Pakistan Stock Exchange Limited. The symbol code for dealing in shares of the Company is **CENI**.

Organisation Chart



Performance Highlights 2024

Rs. In Millions (except otherwise stated)



Horizontal Analysis

	2024		2023		2022		2021		2020		2019	
	(Rupees)	%	(Rupees)	%	(Rupees)	%	(Rupees)	%	(Rupees)	%	(Rupees)	%
STATEMENT OF FINANCIAL POSITION												
Assets												
Property & equipment	165,902,592	64.4%	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%
Intangible assets	54,250	-92.7%	747,250	-11.1%	840,250	100.0%	-	-	-	-100.0%	9,741	-63.1%
Investment in associates	77,630,779	5.0%	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%
Investments	3,322,300,954	19.0%	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%
Loan and other receivable	105,215,771	9.6%	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%
Insurance / reinsurance receivable	1,006,520,483	22.4%	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%
Reinsurance recoveries against outstanding claims	187,320,804	-3.4%	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%
Salvage recoveries accrued	5,675,536	103.8%	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%
Deferred commission expense	44,220,466	35.0%	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%
Deferred taxation	-	-100.0%	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%
Defined benefit obligations	18,755,863	33.4%	14,059,440	100.0%	-	-	-	-	-	-	-	-
Prepayments	345,209,637	23.2%	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%
Cash and bank deposits	265,532,244	-39.1%	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%
Total assets of Window Takaful Operation's - Operator's Fund	303,980,652	36.0%	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%
Total assets	5,848,320,031	15.3%	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%
Equity and Liabilities												
Ordinary share capital	553,264,840	0.0%	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%
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	311,395,677	43.9%	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%
Unappropriated profit	2,144,039,986	19.2%	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%
Outstanding claims including IBNR	437,137,544	9.9%	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%
Unearned premium reserve	1,032,531,259	26.4%	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%
Unearned reinsurance commission	68,651,541	29.5%	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%
Deferred taxation	60,901,840	100%	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	-	0.0%	-	-100.0%	18,659,835	92.9%	9,672,912	114.0%	4,519,519	-12.1%	5,141,096	-0.4%
Premiums received in advance	5,000,978	-31.1%	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%
Insurance / reinsurance payables	561,065,557	-5.5%	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%
Other creditors and accruals	226,859,797	38.0%	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%
Taxation - provision less payments	89,764,370	-34.1%	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%
Total liabilities of Window Takaful Operation's - Operator's Fund	103,682,382	29.3%	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%
Total Equity and Liabilities	5,848,320,031	15.3%	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%
PROFIT AND LOSS ACCOUNT												
Net insurance premium	1,359,542,674	13.6%	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%
Net insurance claims	(760,639,116)	23.0%	(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%
Net commission and other acquisition costs	82,365,067	-5.4%	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%
Management expenses	(470,138,608)	13.6%	(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%
Investment income	572,377,344	27.2%	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%
Other income	80,882,967	5.1%	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%
Other expenses	(13,967,516)	-7.1%	(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%
Finance costs - Lease liabilities	(7,196,979)	91.0%	(3,767,436)	-20.4%	(4,730,239)	-16.0%	(5,634,194)	-9.7%	(6,240,748)	2.4%	(6,095,558)	100%
Share of profit of associates (Impairment) / reversal in value of investment in associates	8,572,093	-10.4%	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%
Profit from Window Takaful Operations	90,109,476	48.9%	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%
Income tax expense	(357,235,095)	7.2%	(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%
Profit after tax	584,672,307	17.7%	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%

Vertical Analysis

	2024 (Rupees)	%	2023 (Rupees)	%	2022 (Rupees)	%	2021 (Rupees)	%	2020 (Rupees)	%	2019 (Rupees)	%
STATEMENT OF FINANCIAL POSITION												
Assets												
Property & equipment	165,902,592	2.8%	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%
Intangible assets	54,250	0.0%	747,250	0.0%	840,250	0.0%	-	0.0%	-	0.0%	9,741	0.0%
Investment in associates	77,630,779	1.3%	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%
Investments	3,322,300,954	56.8%	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%
Loan and other receivable	105,215,771	1.8%	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%
Insurance / reinsurance receivable	1,006,520,483	17.2%	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%
Reinsurance recoveries against outstanding claims	187,320,804	3.2%	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%
Salvage recoveries accrued	5,675,536	0.1%	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%
Deferred commission expense	44,220,466	0.8%	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%
Deferred taxation	-	0.0%	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%
Defined benefit obligations	18,755,863	0.3%	14,059,440	0.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Prepayments	345,209,637	5.9%	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%
Cash and bank deposits	265,532,244	4.5%	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%
Total assets of Window Takaful Operation's - Operator's Fund	303,980,652	5.2%	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%
Total assets	5,848,320,031	100.0%	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%
Equity and Liabilities												
Ordinary share capital	553,264,840	9.5%	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%
Share premium	254,024,260	4.3%	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%
Reserves	311,395,677	5.3%	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%
Unappropriated profit	2,144,039,986	36.7%	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%
Outstanding claims including IBNR	437,137,544	7.5%	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%
Unearned premium reserve	1,032,531,259	17.7%	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%
Unearned reinsurance commission	68,651,541	1.2%	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%
Deferred taxation	60,901,840	1.0%	-	-	-	-	-	-	-	-	-	-
Retirement benefit obligations	-	0.0%	-	0.0%	18,659,835	0.4%	9,672,912	0.3%	4,519,519	0.1%	5,141,096	0.2%
Premiums received in advance	5,000,978	0.1%	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%
Insurance / reinsurance payables	561,065,557	9.6%	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%
Other creditors and accruals	226,859,797	3.9%	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%
Taxation - provision less payments	89,764,370	1.5%	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%
Total liabilities of Window Takaful Operation's - Operator's Fund	103,682,382	1.8%	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%
Total Equity and Liabilities	5,848,320,031	100.0%	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%
PROFIT AND LOSS ACCOUNT												
Net insurance premium	1,359,542,674	100.0%	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%
Net insurance claims	(760,639,116)	-55.9%	(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%
Net commission and other acquisition costs	82,365,067	6.1%	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%
Management expenses	(470,138,608)	-34.6%	(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%
Investment (loss) / income	572,377,344	42.1%	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%
Other income	80,882,967	5.9%	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%
Other expenses	(13,967,516)	-1.0%	(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%
Finance costs - Lease liabilities	(7,196,979)	-0.5%	(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%
Share of profit / (loss) of associates (impairment) / reversal in value of investment in associates	8,572,093	0.6%	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%
Profit / (loss) from Window Takaful Operations	90,109,476	6.6%	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%
Income tax expense	(357,235,095)	-26.3%	(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%
Profit after tax	584,672,307	43.0%	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%

Share Price & Volume Analysis

The Company's Share Prices & Volume on the PSX in the year 2024

Month	Highest --- (Rupees per Share) ---	Lowest	Average of Volume -- No of Shares --
January	24.00	20.51	3,045
February	21.30	20.01	4,417
March	28.00	21.30	22,107
April	32.17	22.50	19,969
May	26.98	23.00	6,504
June	25.54	23.00	8,558
July	26.60	23.75	11,146
August	27.97	23.49	7,509
September	27.98	25.50	2,721
October	31.06	27.00	6,140
November	37.44	30.10	8,864
December	38.19	36.00	7,590

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	2024	2023	Years			
	2022	2021	2020	2019		
Number of Shares outstanding (in millions)	55	55	55	50	50	50
Market closing price of share as on December 31 (PSX) (Rs.)	38.00	21.01	16.01	19.00	22.75	20.00
Market Share Capitalisation (Rs. in millions)	2,090	1,156	881	950	1,138	1,000

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, 2024.

Review of the Economy

Fiscal and external imbalances during FY23, as well as global monetary tightening had created a challenging economic environment in the country. However, by the end of FY24, Pakistan's economy was beginning to show signs of recovery. The approval of the IMF Stand-By Arrangement (SBA) in July 2023 and subsequent fiscal consolidation measures helped stabilize the economy, leading to positive growth, reduced inflation, and improved foreign exchange reserves.

Real GDP grew by 2.5% in FY24, after a contraction of 0.2% in FY23. This growth was fueled by an increase in private consumption on the back of enhanced remittances and lower inflation during the second half of FY24.

Agriculture saw a 19-year high growth of 6.4% in FY24, showing positive growth in wheat, rice and cotton production due to favourable weather conditions. Livestock, which accounts for 60% of the agricultural sector, grew at 4.5%. The services sector grew by 2.2%. However, the industrial sector contracted by 1.2%, with the construction sector experiencing negative growth which was offset by 3.1% growth in manufacturing, thanks to an easing in the import of critical inputs. According to the World Bank's October 2024 update, economic activity in Pakistan is expected to continue recovering, with real GDP growth estimated at 2.8% in FY25 and 3.2% in FY26.

Inflation steadily declined during the first half of FY25 due to stabilizing energy and food prices and is expected to average below 10% in FY25. The State Bank of Pakistan (SBP) eased monetary policy as inflationary pressures started to ease in the second half of FY24. The policy rate was reduced from 22% towards the end of FY24 to 12% in January 2025.

During FY24, total government revenue increased, due to higher direct and indirect taxes, by more than non-interest expenditure, resulting in a primary surplus of 0.9% of GDP, the first since 2007. By the end of the first half of FY25, the primary surplus further increased to 2.9% of GDP and the overall budget deficit stood at PKR 1.5tn or 1.2% of GDP, down from 2.3% of GDP during the first half of FY24.

The current account deficit (CAD) narrowed to 0.2% of GDP in FY24 as compared to 1% of GDP in FY23, the smallest since FY11. This was due to a reduced trade deficit and increased remittances. The Pakistani Rupee appreciated by 2.9% against the US dollar over FY24, supported by improved regulatory oversight and a crackdown on speculative currency trading.

Company Performance Highlights

2024 has been another good year for Century Insurance Company Limited. All insurance classes of business showed growth and there was an increase in overall profitability of the Company.

The comparative financial highlights for the years 2024 and 2023 are presented as follows:

Rs. In Millions (except otherwise stated)

Description	2024	2023	Increase / (Decrease)	
			Amount	%
Gross Written Premium (including Takaful Contribution)	2,734	2,219	515	23
Net Premium	1,360	1,197	163	14
Underwriting results	211	252	(41)	(16)
Investment & other income	662	536	126	24
Profit from Window Takaful Operations	90	61	29	48
Profit before tax	942	830	112	13
Profit after tax	585	497	88	18
Earnings per share (Rs.)	10.57	8.98	1.59	18
Total assets	5,848	5,072	776	15
Paid-up capital	553	553	-	-
Total equity	3,263	2,823	440	16

During the year under review, gross premium (including Takaful Contribution) increased by 23 percent from Rs. 2,219.3 million in 2023 to Rs. 2,733.5 million in 2024.

Net insurance premium increased by 14 percent from Rs. 1,197.2 million last year to Rs. 1,359.5 million in 2024 whereas net claims increased by 23 percent from Rs. 618.5 million last year to Rs. 760.6 million in 2024. The Underwriting result decreased by 16 percent from Rs. 251.9 million in 2023 to Rs. 211.1 million in 2024.

Window Takaful Operations

The overall Takaful performance was satisfactory.

Participant Takaful Fund (PTF)

The Gross Written Contribution for FY2024 was Rs. 371.3 million as compared to Rs. 250.2 million last year. Net contribution revenue (before adjustment for wakala fee) was Rs. 159.3 million as compared to Rs. 131.9 million last year and surplus for FY2024 was Rs. 24.6 million as compared to Rs. 33.0 million in the previous year.

Operator's Fund (OPF)

Gross Wakala Fee for FY2024 was Rs. 128.5 million whereas Net Wakala Fee was Rs. 115.8 million. Profit before tax was Rs. 90.1 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 26 percent of the total premium (including takaful contribution). Gross premium / contribution underwritten during the year was Rs. 710.0 million as compared to Rs. 548.8 million in 2023, an increase of 29 percent.

Net premium stood at Rs. 66.2 million as against Rs. 48.4 million in 2023, an increase of 37 percent. Net claims to net premium ratio for the year under review was 17 percent.

Marine, Aviation and Transport

Marine, Aviation & Transport class of business accounted for 22 percent of the total premium (including takaful contribution). Gross premium / contribution underwritten during the year was Rs. 602.8 million as compared to Rs. 502.5 million in 2023, an increase of 20 percent.

Net premium stood at Rs. 249.3 million as against Rs. 230.5 million in 2023, an increase of 8 percent. The net claims to net premium ratio for the year under review was 20 percent.

Motor

Motor class of business accounted for 24 percent of the total premium (including takaful contribution). Gross premium / contribution underwritten during the year was Rs. 651.1 million as compared to Rs. 529.3 million in 2023, an increase of 23 percent.

Net premium stood at Rs. 439.4 million as against Rs. 388.1 million in 2023, an increase of 13 percent. The net claims to net premium ratio for the year under review was 45 percent.

Accident and Health

Accident and Health class of business accounted for 24 percent of the total premium (including takaful contribution). Gross premium / contribution underwritten during the year was Rs. 646.9 million as compared to Rs. 535.5 million in 2023, an increase of 21 percent.

Net premium stood at Rs. 560.1 million as against Rs. 498.1 million in 2023, an increase of 12 percent. The net claims to net premium ratio for the year under review was 88 percent.

Miscellaneous

Miscellaneous class of business accounted for 4 percent of the total premium (including takaful contribution). Gross premium / contribution underwritten during the year was Rs. 122.7 million as compared to Rs. 103.2 million in 2023.

Net premium stood at Rs. 44.4 million as against Rs. 32.0 million in 2023, an increase of 39 percent. The net claims to net premium ratio for the year under review was 11 percent.

Investment & Other Income

The overall Investment and Other Income for the year under review was Rs. 661.8 million as against Rs. 536.4 million in 2023, an increase of 23 percent.

The realized gain from sale of shares, mutual funds and debt securities was Rs. 74.7 million, dividend income from shares was Rs. 17.8 million and returns earned on government & fixed income securities was Rs. 399.0 million. Other income, including interest on bank deposits was Rs. 77.3 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, 2024, 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.

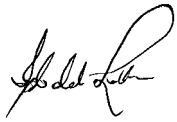
Insurer Financial Strength Rating (IFSR)

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 policyholders 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.



Iqbal Ali Lakhani

Chairman

Karachi: February 14, 2025

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.

افرادى وسائل كے منصوبے

اعتراف

میں ادارے كى ترقى اور كاميابى كو ممكن بنانے كے ليے تمام ملازمين كى كوششوں پر انہیں كمپنى ڈائريكتورز كى جانب سے سراہنا چاہتا ہوں۔ ہم اپنے شانہ بشانہ رہنے پر تمام كلانٹس، انشورنس انڈسٹرى ميں ريگوليٹر كى حيثيت سے رہنمائى كرنے پر سكيورٹيز اينڈ انويشچم كيشن آف پاكستان (SECP) اور كمپنى پر بھروسہ و اعتماد كرنے پر اپنے شيئر هولڈرز كے بھى شكر گزار ہيں۔

ادارے كى انتظاميہ يقيناً كامل ركھتى ہے كہ كسى بھى ادارے كے مجموعى اہداف كے كاميابى سے حصول كے ليے افرادى وسائل كى حكمتِ عملى سے مكمل ہم آہنگى ضرورى ہے۔ آج كے مسابقتى ماحول ميں ہم سمجھتے ہيں كہ موجودہ عملے كو برقرار ركھنا اور ترقى و كار كردگى كے مؤثر جائزے پيش كرتے ہوئے نئے ٹيلنٹ كا اضافہ كرنا اہم ہے۔ مذكورہ سال ميں آپ كے ادارے نے بالخصوص بزنس ڈيولپمنٹ كے شعبے ميں معيارى ماہرين كو كاميابى سے حاصل كيا۔ ہمارى مسلسل توجہ اہليت پر مبنى كام كا ماحول تخليق كرنے پر مركز ہے كہ جہاں سب كے ليے يكساں مواقع ہوں اور زيرك، تجربہ كار اور ماہر ملازمين كے مجموعے كو برقرار ركھنے كے ليے كيريئر كا واضح راستہ ہو كيونكہ وہ ہمارا سب سے قابل قدر اثاثہ ہيں۔



اقبال على لاکھانى
چيئر مين

كراچى: 14 فرورى 2025ء

سرمایہ کاری و دیگر آمدنی

زیر جائز سال کے لئے مجموعی طور پر سرمایہ کاری اور دیگر آمدنی میں 661.8 ملین روپے کا منافع ہوا، جو کہ 2023ء میں 536.4 ملین روپے کے مقابلے میں 23 فیصد اضافہ ہے۔

حصص، میوچل فنڈز اور ڈیٹ سیکیورٹیز کی فروخت سے نفع 74.7 ملین روپے تھا، حصص سے ڈیویڈنڈ آمدنی 17.8 ملین روپے تھی اور سرکاری و طے شدہ انکم سیکیورٹیز پر حاصل کردہ آمدنی 399.0 ملین روپے تھی۔ دیگر آمدنیاں، بشمول بینک ڈپازٹس پر سود، 77.3 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

کلیمز 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 2024ء 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۔

انشورر 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 26 فیصد رہا۔ سال بھر میں کل بیمہ پریمیئم (بشمول تکافل حصہ) 2023ء کے 548.8 ملین روپے کے مقابلے میں 710.0 ملین روپے رہا، جو کہ 29 فیصد اضافہ ہے۔ خالص پریمیئم 2023ء کے 48.4 ملین روپے کے مقابلے میں 37 فیصد اضافہ کے ساتھ 66.2 ملین روپے رہا۔ جائزے کے سال کے لیے خالص پریمیئم پر خالص کلیم کا تناسب 17 فیصد تھا۔

بحری، ہوا بازی اور نقل و حمل

بحری، ہوا بازی اور نقل و حمل کاروباری شعبے کے کل پریمیئم پورٹ فولیو 22 فیصد حصہ رہا۔ کل بیمہ پریمیئم (بشمول تکافل حصہ) 2023ء کے 502.5 ملین روپے کے مقابلے میں سال بھر میں 602.8 ملین روپے رہا، جو 20 فیصد اضافہ ہے۔ خالص پریمیئم 2023ء کے 230.5 ملین روپے کے مقابلے میں 249.3 ملین روپے رہا جو 8 فیصد اضافہ ہے۔ جائزے کے سال کے لیے خالص پریمیئم پر خالص کلیم کا تناسب 20 فیصد تھا۔

موٹر

موٹر کاروبار کا شعبہ کل پریمیئم پورٹ فولیو کا 24 فیصد ہے۔ کل بیمہ پریمیئم (بشمول تکافل حصہ) 2023ء کے 529.3 ملین روپے کے مقابلے میں سال بھر میں 651.1 ملین روپے رہا، جو 23 فیصد اضافہ ہے۔ خالص پریمیئم 13 فیصد اضافہ کے ساتھ 2023ء کے 388.1 ملین روپے کے مقابلے میں 439.4 ملین روپے رہا۔ جائزے کے سال میں خالص پریمیئم پر خالص کلیم کا تناسب 45 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 646.9 ملین روپے رہا جو 2023ء میں 535.5 ملین روپے تھا یعنی 21 فیصد اضافہ ہوا۔ خالص پریمیئم 2023ء کے 498.1 ملین روپے کے مقابلے میں 560.1 ملین روپے رہا یعنی 12 فیصد اضافہ ہے۔ جائزے کے سال میں خالص پریمیئم پر خالص کلیم کا تناسب 88 فیصد تھا۔

متفرق

کاروبار کا متفرق حصہ کل پریمیئم پورٹ فولیو کے 4 فیصد پر مشتمل ہے۔ سال بھر میں کل بیمہ پریمیئم (بشمول تکافل حصہ) 122.7 ملین روپے کے مقابلے میں 2023ء میں 103.2 ملین روپے تھا۔ خالص پریمیئم 39 فیصد اضافہ کے ساتھ 2023ء کے 32.0 ملین روپے کے مقابلے میں 44.4 ملین روپے رہا۔ جائزے کے سال کے لیے خالص پریمیئم پر خالص کلیم کا تناسب 11 فیصد تھا۔

2024ء اور 2023ء کے سالوں کے لیے مسابقتی مالیاتی جھلکیاں مندرجہ ذیل ہیں۔

(روپے ملین میں علاوہ دیگر بیانیہ)

بیان	2024ء	2023ء	رقم اضافہ/(کمی) فیصد
تحریر شدہ مجموعی پریمیئم (بشمول تکافل حصہ)	2,734	2,219	515 (23)
خالص پریمیئم	1,360	1,197	163 (14)
انڈر رائٹنگ نتائج	211	252	(41) (16)
سرمایہ کاری و دیگر آمدنی	662	536	126 (24)
ونڈو تکافل آپریشن سے منافع	90	61	29 (48)
منافع قبل از ٹیکس	942	830	112 (13)
منافع بعد از ٹیکس	585	497	88 (18)
آمدنی فی حصص (روپے)	10.57	8.98	1.59 (18)
کل اثاثہ جات	5,848	5,072	776 (15)
ادا شدہ سرمایہ	553	553	-
کل ایکوٹی	3,263	2,823	440 (16)

جائزے کے سال میں مجموعی پریمیئم (بشمول تکافل حصہ) 2023ء میں 2,219.3 ملین روپے سے بڑھ کر 2024ء میں 2,733.5 ملین روپے ہوا، جو 23 فیصد اضافہ ہے۔ خالص پریمیئم گزشتہ سال میں 1,197.2 ملین روپے کے مقابلے میں 14 فیصد اضافے کے ساتھ 2024ء میں 1,359.5 ملین روپے ہو گیا۔ جبکہ خالص کلیمز گزشتہ سال میں 618.5 ملین روپے کے مقابلے میں 760.6 ملین روپے کا اضافہ ہوا، جو کہ 23 فیصد ہے۔ انڈر رائٹنگ نتیجہ 16 فیصد کمی کے ساتھ 2023ء کے 251.9 ملین روپے کے مقابلے میں سال 2024ء کے اختتام پر 211.1 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 250.2 ملین روپے کے مقابلے میں 371.3 ملین روپے تھی۔ خالص حصہ داری آمدنی (ایڈجسٹمنٹ قبل از وکالہ فیس) گزشتہ سال 131.9 ملین روپے کے مقابلے میں 159.3 ملین روپے تھی اور مالی سال 2024ء کے لیے گزشتہ سال میں سرپلس 24.6 ملین کے مقابلے میں 33.0 ملین روپے تھا۔

آپریٹرز فنڈ (OPF)

مالی سال 2024ء کے لیے کل وکالہ فیس 128.5 ملین روپے اور خالص وکالہ فیس 115.8 ملین روپے تھی۔ منافع قبل از ٹیکس 90.1 ملین روپے تھا۔

چیسر مین کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 31 دسمبر 2024ء کو ختم ہونے والی سال کے لیے کمپنی کی سالانہ رپورٹ اور کارکردگی کا جائزہ آپ کے سامنے پیش کرتے ہوئے خوش محسوس ہو رہی ہے۔

معاشی جائزہ

مالی سال 2023ء میں مالی اور بیرونی شعبے کے عدم توازن اور عالمی سطح پر سخت مالیاتی پالیسیوں کے باعث ملک کو معاشی مشکلات کا سامنا رہا۔ تاہم مالی سال 2024ء کے اختتام تک پاکستان کی معیشت میں بحالی کی علامات ظاہر کرنے لگیں۔ جولائی 2023ء میں آئی ایم ایف کے ساتھ عارضی انتظام (SBA) کی منظوری اور بعد ازاں مالی استحکام کے اقدامات نے معیشت کو مستحکم ہونے میں مدد دی، جس سے مثبت نمو پیدا ہوئی، مہنگائی میں کمی آئی اور زرمبادلہ کے ذخائر میں بہتری آئی۔

مالی سال 2024ء میں حقیقی شرح نمو (جی ڈی پی) 2.5 فیصد رہی جو مالی سال 2023ء میں 0.2 فیصد کم ہوئی تھی۔ یہ نمو نجی شعبے کی کھپت میں اضافے کی وجہ سے ہوئی، جس کی بنیادی وجوہات بیرون ملک سے آنے والی ترسیلات میں اضافہ اور مالی سال 2024ء کے دوسرے نصف میں مہنگائی کی شرح میں آنے والی کمی تھیں۔

مالی سال 2024ء کے دوران زراعت کے شعبے کی نمو 6.4 فیصد ریکارڈ ہوئی، جو کہ 19 سال کی بلند ترین سطح ہے، جس میں گندم، چاول اور کپاس کی پیداوار میں مثبت اضافے کا کردار اہم تھا، پیداوار میں اضافے کی وجہ سازگار موسمی حالات تھے۔ لائیوسٹاک، جو زراعت کے شعبے کا 60 فیصد حصہ ہے، اس میں 4.5 فیصد اضافہ ہوا۔ خدمات کے شعبے میں 2.2 فیصد نمو رہی۔ تاہم صنعتی شعبے میں 1.2 فیصد کمی ہوئی جس کی وجہ تعمیراتی شعبے میں منفی نمو تھی، تاہم مینوفیکچرنگ کے شعبے نے اہم خام مال کی درآمدات میں نرمی کے باعث 3.1 فیصد کا اضافہ دیکھا۔ ورلڈ بینک کی اکتوبر 2024ء کی رپورٹ کے مطابق، پاکستان کی معیشت کی بحالی کا عمل جاری رہنے کی توقع ہے، جس میں مالی سال 2025 میں حقیقی جی ڈی پی 2.8 فیصد اور مالی سال 2026 میں 3.2 فیصد بڑھنے کا اندازہ ہے۔

مالی سال 2025ء کی پہلی ششماہی کے دوران توانائی اور اشیائے خورد و نوش کی قیمتوں میں استحکام کے باعث مہنگائی میں مسلسل کمی واقع ہوئی اور توقع ہے کہ مالی سال 2025ء کے دوران اوسط شرح 10 فیصد سے کم رہے گی۔ اسٹیٹ بینک آف پاکستان نے مالی سال 2024ء کی دوسری ششماہی میں مہنگائی کے دباؤ میں کمی کے بعد مانیٹری پالیسی میں نرمی کی۔ پالیسی ریٹ جو مالی سال 2024ء کے اختتام پر 22 فیصد تھا، جنوری 2025ء میں کم ہو کر 12 فیصد ہو گیا۔

مالی سال 2024ء میں براہ راست اور بالواسطہ ٹیکسز کی وصولی میں اضافے کی بدولت حکومتی آمدنی غیر سودی اخراجات سے تجاوز کر گئی، جس سے جی ڈی پی کا 0.9 فیصد بنیادی سرپلس حاصل ہوا جو 2007ء کے بعد پہلا سرپلس ہے۔ مالی سال 2025ء کی پہلی ششماہی کے اختتام تک بنیادی سرپلس بڑھ کر جی ڈی پی کے 2.9 فیصد تک پہنچ گیا اور مجموعی بجٹ خسارہ کم ہو کر 1.5 کھرب روپے یعنی جی ڈی پی کے 1.2 فیصد ہو گیا، جو گزشتہ مالی سال کی اسی مدت میں 2.3 فیصد تھا۔

کرنٹ اکاؤنٹ خسارہ (CAD) مالی سال 2024ء میں کم ہو کر جی ڈی پی کا 0.2 فیصد رہ گیا جو مالی سال 2023ء میں جی ڈی پی کا 1 فیصد تھا، جس کے مقابلے میں یہ نمایاں کمی ہے بلکہ مالی سال 2011ء کے بعد یہ سب سے کم سطح ہے۔ اس کمی کی وجہ تجارتی خسارے میں کمی اور ترسیلات میں اضافہ ہے۔ مالی سال 2024ء کے دوران بہتر نگرانی اور کرنسی کی سٹے بازی پر سخت کارروائیوں کی بدولت پاکستانی روپے کی قدر امریکی ڈالر کے مقابلے میں 2.9 فیصد بڑھی۔

ادارے کی کارکردگی کی جھلکیاں

2024ء 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۔

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, 2024.

Appropriation of Profit

Profits for the year ended December 31, 2024 has been appropriated as follows:

	(Rupees)
Balance brought forward from previous years	1,550,345,658
Total comprehensive income for year	593,694,328
Amount available for appropriations	2,144,039,986
Appropriations:	
Proposed final cash dividend @ 60% i.e. Rs. 6.00 per share (2023: @ 45% i.e. Rs. 4.50 per share)	(331,958,904)
Un-appropriated amount carried forward	1,812,081,082

Earnings per Share

Your Company has earned a profit after tax of Rs. 584.7 million which translates into earnings per share of Rs. 10.57 as compared to Rs. 8.98 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, 2024

stood at Rs. 3,262.7 million. The larger equity base will enhance the financial strength and underwriting capabilities of the Company.

Auditors

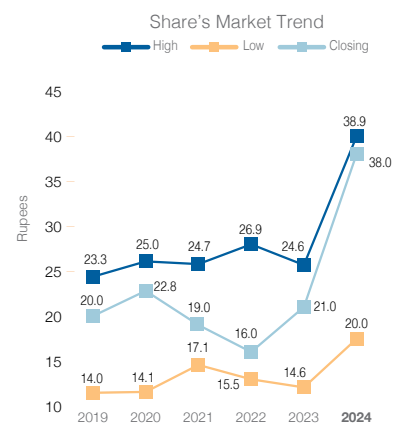
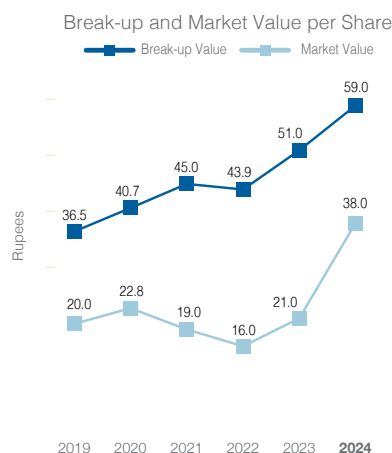
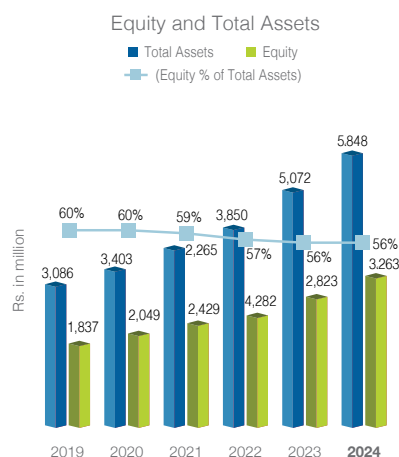
M/s. BDO Ebrahim & Co., Chartered Accountants retire at the conclusion of the Annual General Meeting. Being eligible they have offered themselves for re-appointment. The Audit Committee has recommended their re-appointment.

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. 747.6 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

The board consists of 6 male directors and 1 female director with following composition:

Independent Directors	2
Non-executive Directors	4
Executive Director	1
Total number of Directors	7

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)	-	25.81	4.22	1.92	31.95
Mr. Atiq Anwar Mahmudi	0.54	-	-	-	0.54
Mr. Jawed Akhlaq	0.36	-	-	-	0.36

Board of Directors' Meetings

Four 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)	4
Mr. Amin Mohammed Lakhani	4
Ms. Anushka Lakhani	2
Mr. Atiq Anwar Mahmudi	4
Mr. Jawed Akhlaq	4
Mr. Aftab Ahmad	4
Mr. Mohammad Hussain Hirji (Chief Executive)	4

Chief Executive Officer (CEO) Performance Review

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 each of the Board, Audit Committee, two (02) meeting of Investment Committee were held and two (02) meeting was held of Ethics, Human Resource & Remuneration Committee and one (01) meeting was held of Sustainability 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 and Sustainability 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.

Gender Pay Gap

Report on gender pay gap data is annexed..

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. Muhammad Ikram, Executive has sold 24,200 shares in 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, 2024 is as follows:

Provident Fund: Rs. 97.864 million

Gratuity Fund: Rs. 122.355 million

Pattern of Shareholding

A statement showing pattern of shareholding of the Company and additional information as at December 31, 2024 is annexed with the report.

The Board has determined the threshold under clause xvi (i) 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



Mr. Mohammad Hussain Hirji
Director & Chief Executive

Karachi: February 14, 2025

مستقبل کا منظر نامہ

آپ کا ادارہ سچری انشورنس کمپنی لمیٹڈ کے مستقبل کے منظر نامے کے بارے میں پُر امید ہے۔ ہمارا ہدف پُر یکم آمدنی کے علاوہ پارکیٹ شیئر کے اعتبار سے بھی آگے بڑھنا ہے۔ ہماری نظریں کمرشل اور رینیل 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 رینیل 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۔

- اپنے کھاتوں کے حساب سے ریٹائرمنٹ سینٹ فنڈز میں ان کی سرمایہ کاری کی قدر 31 دسمبر 2024ء کو کچھ یوں ہے:

پروویڈنٹ فنڈ: 97.864 ملین روپے
گریجویٹ فنڈ: 122.355 ملین روپے

شیئر ہولڈنگ کا نمونہ

31 دسمبر 2024ء کے مطابق شیئر ہولڈنگ کے نمونے اور اضافی معلومات کی نشاندہی کرنے والا ایک گوشوارہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ نے 2012-CCG کی شق xvi (D) 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 Iqbal Iqbal

جناب محمد حسین ہیرجی
ڈائریکٹر و چیف ایگزیکٹو

Shahid Iqbal

جناب اقبال علی لاکھانی
چیئر مین

کراچی: 14 فروری 2025ء

ڈائریکٹر کی ذمہ داریوں کا بیان

ڈائریکٹرز 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 لیکوئٹی 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 اور 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 تہی 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 ڈائریکٹرز کی اکثریت نے مجاز اداروں سے ڈائریکٹرز ٹریننگ پروگرام مکمل کر لیا ہے اور ادارے کے باقی ڈائریکٹرز اسکے مطابق مقررہ اہلیت اور تجربہ رکھتے ہیں۔

- دوران سال جناب محمد اکرام، ایگزیکٹو نے اوپن مارکیٹ میں 24,200 شیئرز بیچے جن کی بروقت اطلاع پاکستان اسٹاک ایکسچینج کو دی گئی۔

شرکت کردہ اجلاسوں کی تعداد

ڈائریکٹرز کے نام	شرکت کردہ اجلاسوں کی تعداد
جناب اقبال علی لاکھانی (چیئرمین)	4
جناب امین محمد لاکھانی	4
محترمہ انوشکا لاکھانی	2
جناب عتیق انوار محمودی	4
جناب جاوید اخلاق	4
جناب آفتاب احمد	4
جناب محمد حسین ہیرجی (چیف ایگزیکٹو)	4

چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ

بورڈ کی ایٹھکس، ہیومن ریسورس اینڈ ریمونڈیشن 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 چار (04)، انوسٹمنٹ کمیٹی کے دو (02)، دی ایٹھکس، ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کے دو (02)، سٹیمین، ایسیلیٹی کمیٹی کی ایک (01) 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 ریمونڈیشن کمیٹیوں کے چیئرمین ایک انڈیپنڈنٹ ڈائریکٹر ہیں۔

مینگمنٹ 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۔

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۔

صنعتی تنخواہ کا فرق

صنعتی تنخواہ کے فرق کے اعداد و شمار پر رپورٹ منسلک ہے۔

بورڈ کی تشکیل

بورڈ درج ذیل تشکیل کے ساتھ 6 حضرات اور 1 خاتون پر مشتمل ہے:

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

ڈائریکٹرز 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 چتر مین، چیف ایگزیکٹو، نان ایگزیکٹو، ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کے سلسلے میں پالیسی وضع کر رکھی ہے۔

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

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

ڈائریکٹرز کے نام	اجلاس کا معاوضہ	منیجریل معاوضہ	بونس	میدیکل اخراجات	کل رقم
جناب محمد حسین ہیرجی	—	25.81	4.22	1.92	31.95
جناب عتیق انوار محمودی	0.54	—	—	—	0.54
جناب جاوید اخلاق	0.36	—	—	—	0.36

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران بورڈ کے چار (04) اجلاس ہوئے۔ ہر ڈائریکٹر کی اجلاسوں میں حاضری کچھ یوں رہی:

کارپوریٹ سماجی ذمہ داری

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

ڈائریکٹرز 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 747.6 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
- انڈورمانٹنگ اور کریڈٹ رسک
- ایکویٹی مارکیٹ اور انشورنس ریٹ کا خطرہ
- 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۔

ڈائریکٹرز کی رپورٹ

آمدنی فی حصص

آپ کے ادارے نے 584.7 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جو گزشتہ سال کے 8.98 روپے کے مقابلے میں اس سال 10.57 روپے فی حصص آمدنی بنتی ہے۔

سچری انشورنس کمپنی لمیٹڈ (ادارے) کے ڈائریکٹرز 31 دسمبر 2024ء 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

ادا شدہ سرمایہ

آپ کا ادارہ 553.3 ملین روپے کے ادا شدہ سرمائے کے ساتھ مضبوط مالی بنیاد رکھتا ہے۔ برقرار رکھی گئی اور محفوظ آمدنی کو ملا کر 31 دسمبر 2024ء کو کل ایکویٹی 3,262.7 ملین روپے تھی۔ ایکویٹی کی وسیع تر بنیاد مالیاتی استحکام اور ادارے کی بیمہ کاری کی صلاحیتوں کو بڑھائے گی۔

31 دسمبر 2024ء کو ختم ہونے والے سال کے لیے منافع کی تخصیص کچھ یوں ہے:

روپے

1,550,345,658

گزشتہ سالوں سے آگے منتقل ہونے والی رقم

593,694,328

کل مجموعی آمدنی برائے سال

2,144,039,986

تخصیص کے لیے دستیاب رقم
تخصیص:

(331,958,904)

مجوزہ حتمی کیش ڈیویڈنڈ 60% @ جو کہ فی حصص 6.00 روپے (2023: 45%)
جو کہ 4.50 روپے فی حصص

1,812,081,082

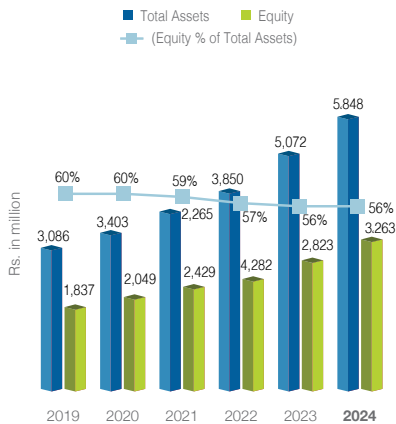
آگے منتقل کی گئی غیر تخصیص شدہ رقم

آڈیٹرز

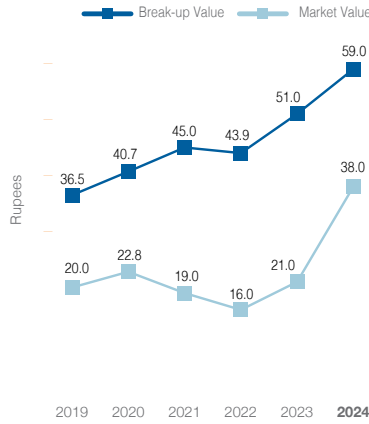
میسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہلیت کی بنیاد پر انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے۔

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 ضابطہ اخلاق پر انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے رہنما ہدایت کو پوری طرح قبول کرنے والا ہے۔

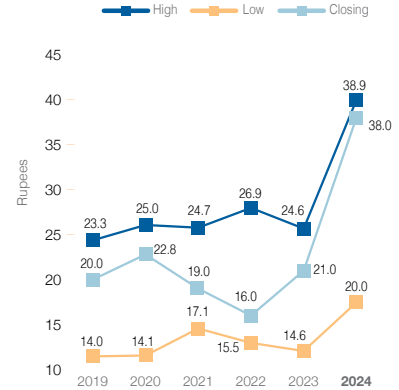
Equity and Total Assets



Break-up and Market Value per Share



Share's Market Trend



Board Committees

AUDIT COMMITTEE

Terms of Reference:

1. Determination of appropriate measures 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	4
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 one is an independent director. 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	2
Mr. Amin Mohammed Lakhani	2
Mr. Mohammad Hussain Hirji	2

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 two 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

SUSTAINABILITY COMMITTEE

Terms of Reference

1. The Committee is responsible for governance and oversight of sustainability risks and opportunities.
2. Set the Company's sustainability strategies, targets, and priorities to create long-term corporate value.
3. The Committee encourage the Company to adopt the Securities and Exchange Commission of Pakistan (SECP)'s ESG Disclosure Guidelines.
4. Establish policies to promote Diversity, Equity, and Inclusion (DE&I), and to encourage gender mainstreaming and gender equality.
5. Ensure the participation of women at the board, management, and workforce levels.
6. Take appropriate measures to proactively understand and address the principal and emerging sustainability risk and opportunities relevant to the Company, its business and climate.
7. Assess potential financial and operational impacts and implement strategies to manage or mitigate sustainable risks.

8. Periodically review the Company's sustainability and DE&I related strategies, priorities and targets and monitor the performance against these targets.
9. Oversee compliance of relevant laws pertaining to relevant sustainability related considerations and its appropriate disclosure.

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

Name of Members	Meeting attended
Mr. Jawed Akhlaq - Chairman	1
Ms. Anuska Lakhani	1
Mr. Muhammad Hussain Hirji	1

The Committee was formed on October 29, 2024.

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. Sabza Ali Pirani (from August 08, 2024)
Mr. Aseem Ahmed (upto August 07, 2024)
Mr. Zeeshan Haider (from August 08, 2024)
Mr. Hamza Siddiqui (from August 08, 2024 to October 31, 2024)
Mr. Ali Asghar (upto May 03, 2024)

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. Aseem Ahmed (from August 08, 2024)
Mr. Sabza Ali Pirani (upto August 07, 2024)
Mr. Mushtaq Ali Lalani (from August 08, 2024)
Mr. Adeel Suleman (from May 13, 2024)
Mr. Hassan Siddiqui (upto February 22, 2024)

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 others 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. Sabza Ali Pirani
Mr. Aseem Ahmed (from August 08, 2024)
Mr. Abdul Rasheed
Mr. Asif Mehmood
Mr. Hamza Siddiqui (from August 08, 2024 to October 31, 2024)
Mr. Ali Asghar (upto May 03, 2024)

Pattern of Shareholding

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

No. of Shareholders	Shareholding From	To	Total Shares Held
417	1	100	6,135
145	101	500	40,850
126	501	1,000	88,560
232	1,001	5,000	550,730
80	5,001	10,000	562,386
30	10,001	15,000	362,358
12	15,001	20,000	198,770
13	20,001	25,000	285,451
6	25,001	30,000	170,087
8	30,001	35,000	263,037
6	35,001	40,000	217,252
4	40,001	45,000	174,800
2	45,001	50,000	98,901
2	50,001	55,000	105,570
2	55,001	60,000	116,142
4	60,001	65,000	244,658
1	65,001	70,000	66,550
1	70,001	75,000	70,941
3	75,001	80,000	232,338
1	85,001	90,000	85,340
1	90,001	95,000	93,513
1	95,001	100,000	95,603
1	145,001	150,000	148,550
1	185,001	190,000	189,092
1	190,001	195,000	191,876
1	215,001	220,000	217,500
1	265,001	270,000	269,000
1	295,001	300,000	300,000
1	410,001	415,000	415,000
1	465,001	470,000	465,914
1	515,001	520,000	516,231
1	715,001	720,000	720,000
1	800,001	805,000	802,649
1	1,385,001	1,390,000	1,388,475
1	3,145,001	3,150,000	3,148,000
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
1,114	Total		55,326,484

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	6,581,546	11.90
Others	4,171,034	7.54

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, 2024

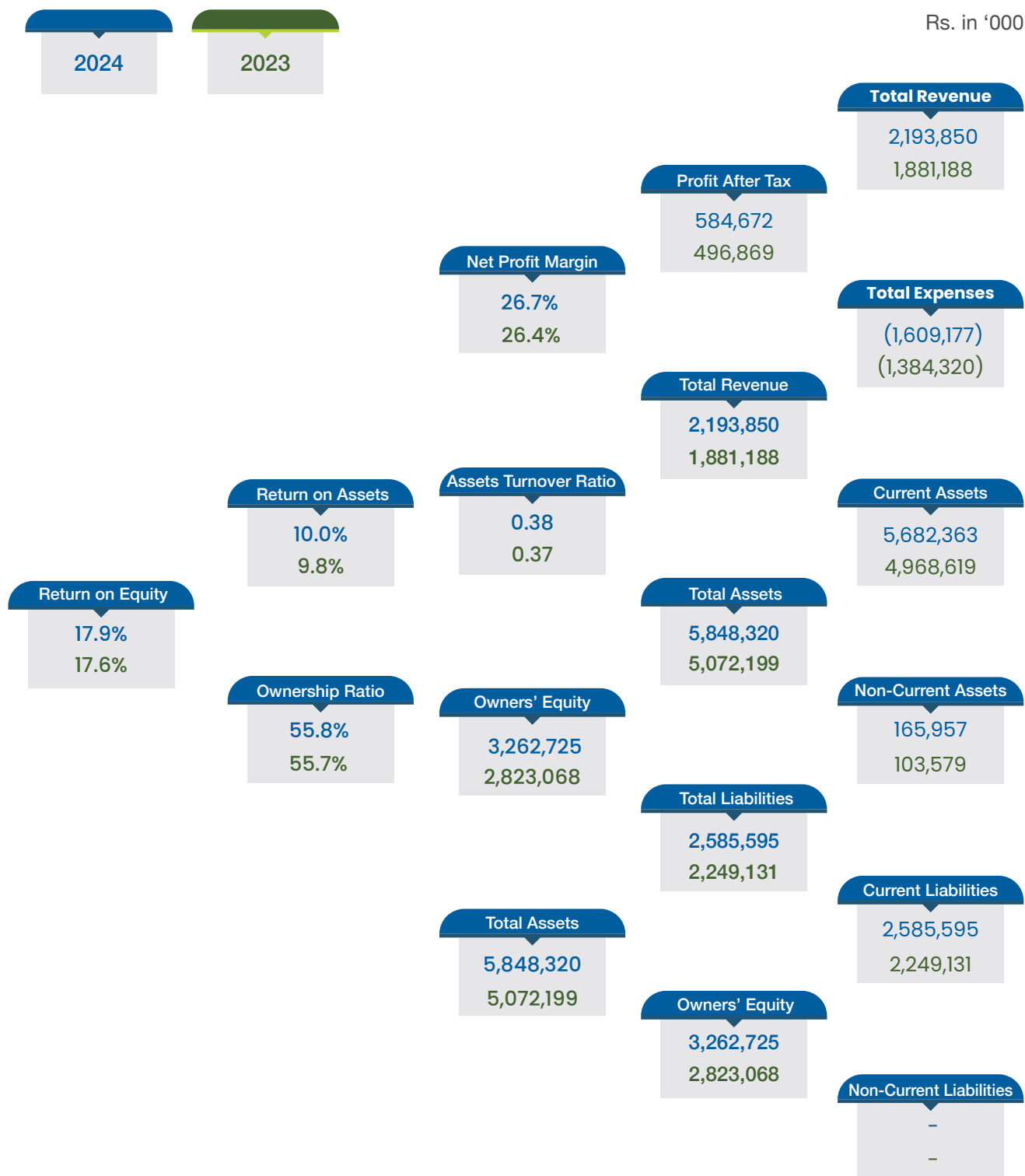
Categories of Shareholders	No. of Shares held
i) ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	
1. M/s. SIZA (Pvt.) Limited	7,873,097
2. M/s. SIZA Services (Pvt.) Limited	13,037,355
3. M/s. SIZA Commodities (Pvt.) Limited	5,492,413
4. M/s. Premier Fashions (Pvt.) Limited	16,021,360
5. Mr. Sultan 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
ii) MUTUAL FUND	
1. CDC – Trustee Golden Arrow Selected Stock Fund	465,914
iii) DIRECTORS, CHIEF EXECUTIVE, THEIR SPOUSE AND MINOR CHILDREN	
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
iv) EXECUTIVES	605
v) PUBLIC SECTOR COMPANIES AND CORPORATIONS	26,801
vi) BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS	1,388,475
vii) SHAREHOLDERS HOLDING 5% OR MORE	
M/s. Khadija & Kassamali Resources (Pvt) Limited (Other than those reported at (i) (1, 2, 3 & 4)	3,148,000
viii) INDIVIDUAL AND OTHER THAN THOSE MENTIONED ABOVE	10,725,174
	55,326,484

Key Operating and Financial Data

(Rupees in million)

	2024	2023	2022	2021	2020	2019	2018
FINANCIAL DATA							
Ordinary share capital	553.3	553.3	553.3	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	2,455.4	2,015.8	1,621.7	1,508.0	1,292.1	1,079.7	963.4
Equity	3,262.7	2,823.1	2,429.0	2,265.0	2,049.1	1,836.7	1,720.4
Property & equipment	165.9	100.9	121.8	125.6	121.2	130.0	72.3
Intangible assets	0.1	0.7	0.8	-	-	0.01	0.03
Underwriting Provisions	1,538.3	1,267.5	1,185.5	990.6	828.2	740.8	671.2
Investments	3,399.9	2,867.0	2,243.3	1,868.5	1,728.8	1,696.8	1,404.2
Cash and bank deposits	265.5	436.3	426.5	725.5	454.4	267.0	440.4
Total Assets	5,848.3	5,072.2	4,282.4	3,850.5	3,402.8	3,086.2	2,829.7
OPERATING DATA							
Gross Premium	2,362.2	1,969.1	1,847.2	1,601.3	1,371.2	1,314.6	1,185.6
Net insurance premium	1,359.5	1,197.2	1,072.4	897.6	846.1	779.7	690.3
Net insurance claims	760.6	618.5	561.5	449.7	360.2	362.7	288.2
Underwriting Profit	211.1	251.9	221.0	207.3	193.9	135.2	129.7
Profit from Takaful Operations - Operator's Fund	90.1	60.5	35.0	18.6	10.5	9.5	7.4
Investment & Other Income / (loss)	661.8	536.4	255.7	181.8	155.4	70.9	(21.7)
Profit Before Tax (PBT)	941.9	830.1	495.2	389.6	342.4	199.7	105.0
Income tax expense	357.2	333.2	181.8	112.1	99.8	54.5	33.7
Profit After Tax (PAT)	584.7	496.9	313.4	277.5	242.6	145.2	71.3
CASH FLOW SUMMARY							
Operating Activities	(127.6)	269.7	1.8	300.8	139.9	88.0	108.9
Investing Activities	223.1	(99.6)	(169.8)	89.0	151.0	(198.3)	302.0
Financing Activities	(266.3)	(159.4)	(130.9)	(118.7)	(103.8)	(63.0)	(87.3)
Cash & Cash Equivalents at the year end	265.3	436.1	425.5	724.5	453.4	266.2	439.6
FINANCIAL RATIOS							
Profitability							
Profit Before Tax / Net Insurance Premium	(%)	69.3	69.3	46.2	43.4	40.5	25.6
Profit After Tax / Net Insurance Premium	(%)	43.0	41.5	29.2	30.9	28.7	18.6
Underwriting Results / Net Insurance Premium	(%)	15.5	21.0	20.6	23.1	22.9	17.3
Total Expenses / Gross Premium	(%)	20.8	22.0	22.0	21.2	25.5	23.6
Total Expenses / Net Insurance Premium	(%)	36.1	36.1	37.9	37.8	41.4	39.8
Net Claims / Net Insurance Premium	(%)	55.9	51.7	52.4	50.1	42.6	46.5
Combined Ratio	(%)	82.4	77.8	79.1	77.6	78.6	84.3
Return to Shareholders							
Return on Equity	(%)	17.9	17.6	12.9	12.3	11.8	7.9
Return on Assets	(%)	10.0	9.8	7.3	7.2	7.1	4.7
Return on Investment	(%)	19.0	18.0	9.7	7.6	7.5	3.7
Earnings per Share - restated	(Rs.)	10.57	8.98	5.66	5.02	4.38	2.62
Dividend	(%)	60.0	45.0	25.0	22.5	20.0	17.5
Dividend Yield	(%)	15.8	21.3	15.6	11.8	8.8	8.8
Dividend Payout	(%)	56.8	50.1	44.2	44.8	45.7	66.8
Bonus Share	(%)	-	-	-	10.0	-	-
Price Earning Ratio	(Times)	3.6	2.3	2.8	3.8	5.2	7.6
Market Price per Share (at Dec 31)	(Rs.)	38.00	21.09	16.01	19.00	22.75	20.00
Liquidity / Leverage							
Break-up Value per Share	(Rs.)	59.0	51.0	43.9	45.0	40.7	36.5
Current Ratio	(Times)	2.6	2.5	3.1	3.4	3.5	3.6
Total Assets Turnover Ratio	(Times)	0.40	0.39	0.43	0.42	0.40	0.43
Total Liabilities / Equity	(Times)	0.79	0.80	0.76	0.70	0.66	0.68
Paid-up Capital / Total Assets	(%)	9.5	10.9	12.9	13.1	14.8	16.3
Equity / Total Assets	(%)	55.8	55.7	56.7	58.8	60.2	59.5

DuPont Analysis



Gender Pay Gap

Century Insurance Company Limited, is an equal opportunity employer and strongly believes that the Company's ongoing progress and success are largely driven by its people, without any discrimination based on gender, caste, creed, or origin. We are committed to provide fair and equitable compensation to all employees within the same cadre. The Company fosters a positive and collaborative environment for Employee-Employer relationship, we proudly affirm that there is no gender-based pay gap within our organization.

As required by the Security and Exchange Commission (SECP), through its circular no 10 of 2024 dated April 17, 2024, all the listed companies, to include a statement on gender pay gap as per the calculation prescribed in the circular. In line with this circular following information for 2024 has been prepared.

26.46%

Mean Gender Pay Gap

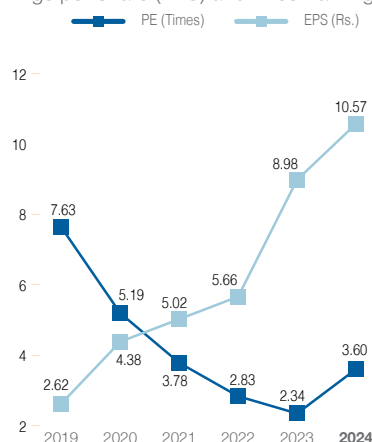
16.67%

Median Gender Pay Gap

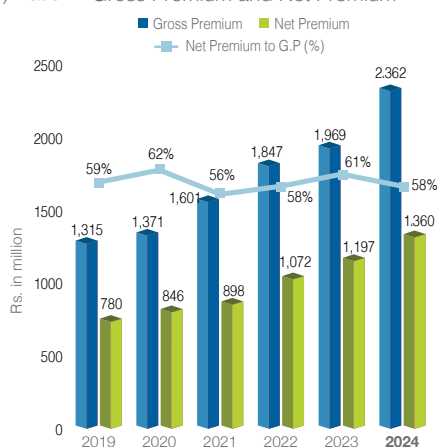


Graphical Presentation

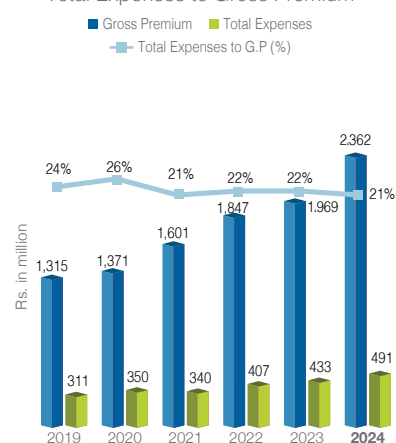
Earnings per Share (EPS) and Price Earning (PE) Ratio



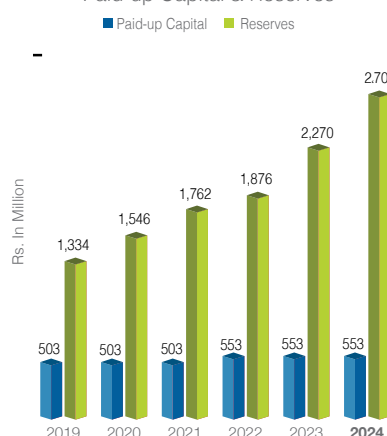
Gross Premium and Net Premium



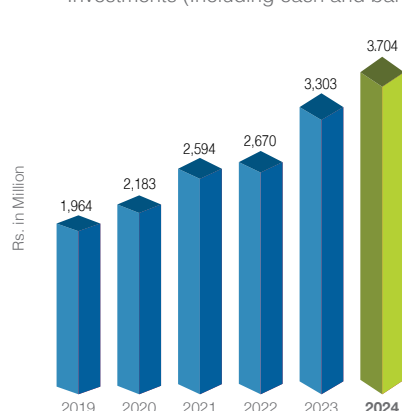
Total Expenses to Gross Premium



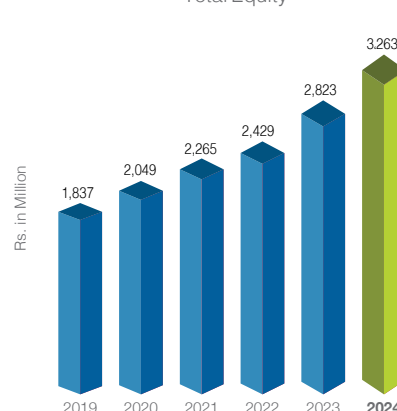
Paid-up Capital & Reserves



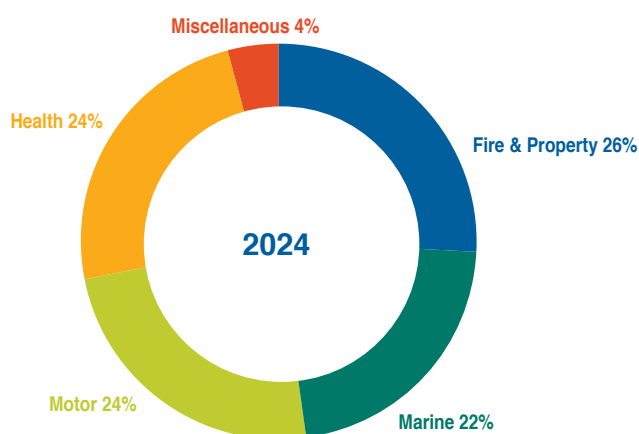
Investments (Including cash and bank)



Total Equity



Gross Premium (Class wise)



Statement of Value Addition

(Rupees in '000)

WEALTH GENERATED

Net premium (including Sales tax & FIF)
Commission income
Investment income
Other income

2024

2023

1,674,123
82,365
572,377
89,455
2,418,321

1,426,792
87,072
449,940
86,505
2,050,310

Less: Claims and expenses (excluding employee remuneration,
depreciation and donation)
Profit from Window Takaful Operations (Operator's fund)

(897,567)

(730,409)

90,109

60,517

1,610,863

1,380,418

WEALTH DISTRIBUTED

To Employees

322,138

288,437

To Government:

Company taxation
Levies (including Sales tax & FIF)

357,235
314,580
671,815

333,206
229,638
562,845

To Society:

Donation

150

150

150

150

To Shareholders:

Cash dividend *

331,959
331,959

248,969
248,969

Retained in Business:

Depreciation and amortisation
Net earnings

32,088
252,713
284,801

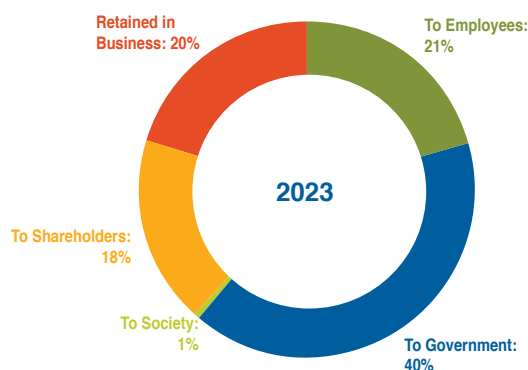
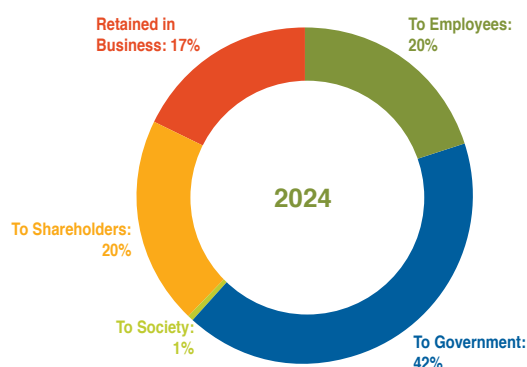
32,117
247,899
280,017

1,610,863

1,380,418

*Cash dividend 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, 2024

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). At present the Board includes:

Category	Names
Independent Directors	Mr. Atiq Anwar Mahumdi Mr. Jawed Akhlaq
Executive Director	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 have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and the 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 arranged one Directors' training program during the year ended December 31, 2024 as Five 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 (up to August 07, 2024)	Member
Mr. Sabza Ali Pirani (from August 08, 2024)	Member
Mr. Zeeshan Haider (from August 08, 2024)	Member
Mr. Hamza Siddiqui (From August 08, 2024 to Member October 31, 2024)	
Mr. Ali Asghar (up to May 03, 2024)	Member

b) Claim Settlement Committee

Name of Member	Category
Mr. Mohammad Hussain Hirji	Chairman – Executive Director
Mr. Aseem Ahmed (from August 08, 2024)	Member
Mr. Adeel Suleman (from August 08, 2024)	Member
Mr. Mushtaq Ali Lalani (from August 08, 2024)	Member
Mr. Hassan Siddiqui (up to February 22, 2024)	Member
Mr. Sabza Ali Pirani (up to August 07, 2024)	Member

c) Risk Management & Compliance Committee

Name of Member	Category
Mr. Mohammad Hussain Hirji	Chairman – Executive Director
Mr. Sabza Ali Pirani	Member
Mr. Aseem Ahmed (from August 08, 2024)	Member
Mr. Hamza Siddiqui (from August 08, 2024 to October 31, 2024)	Member
Mr. Abdul Rasheed	Member
Mr. Asif Mehmood	Member
Mr. Ali Asghar (up to May 03, 2024)	

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. Amin Mohammed Lakhani	Member – Non-Executive Director
Mr. Mohammad Hussain Hirji	Member – Executive 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

c) Sustainability Committee

Name of Member	Category
Mr. Jawed Akhlaq	Chairman – Executive Director
Ms. Anuska Lakhani	Member
Mr. Mohammad Hussain Hirji	Member

The Committee was formed on October 29, 2024.

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

Name of Member	Category
Mr. Atiq Anwar Mahumdi Mohamed	Chairman – Independent Director
Mr. Amin Mohammed Lakhani	Member – Non-Executive Director
Mr. Aftab Ahmad	Member – Non-Executive Director

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

Name of Committees	Frequency of Meeting
Ethics, Human Resource & Remuneration Committee	Twice a year
Investment Committee	Twice a year
Audit Committee	Quarterly
Sustainability Committee	Once a year
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. Syed Haider Ali Rizvi (from November 11, 2024)	Head of Marine Underwriting
Mr. Ali Asghar (up to May 03, 2024)	Head of Marine Underwriting (Incl. Risk Management)
Mr. Muhammad Rehan (from November 05, 2024)	Head of Fire Underwriting (Incl. Risk Management)
Mr. Hamza Siddique (up to October 31, 2024)	Head of Fire Underwriting (Incl. Risk Management)
Mr. Abid Raza Isphani	Head of Health Underwriting
Mr. Syed Muhammad Nasim Ahmed	Head of Motor Underwriting
Mr. Adeel Suleman (from May 13, 2024)	Head of Claims
Mr. Hassan Siddiqui (up to February 22, 2024)	Head of Claims
Mr. Zeeshan Haider (from March 21, 2024)	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 31, 2024 is AA with a 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 requirements of the Code have been complied with.
34. Explanation for non-compliance with the requirement other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 as below.

Non-mandatory Requirement	Regulation No.	Explanation
The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board.



Iqbal Ali Lakhani
Chairman



Mohammad Hussain Hirji
Director & Chief Executive

Karachi: February 14, 2025

Shariah Reveiw Report to the Board of Directors

for the year ended December 31, 2024

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

This report evaluates the Shariah compliance of **Century Insurance Company Limited's Window Takaful Operations** (referred to as the "Takaful Operator") for the financial year ending December 31, 2024. It provides an assessment of whether the company has adhered to the principles of Shariah and the rulings, guidelines, and directives issued by the undersigned during the review period.

The Takaful Operator is responsible for ensuring compliance with the Shariah guidelines and principles set by the Shariah Advisor. This includes obtaining the necessary approvals for all policies and services. As the Shariah Advisor, my role is to verify that the company's financial transactions, contracts, and dealings with participants and stakeholders conform to Shariah principles.

During the year, I conducted regular visits to the Takaful Operator's premises to provide guidance on Shariah-related matters and ensure compliance in daily operations. Various issues requiring clarification were presented, and their resolutions were effectively implemented. Based on this, the overall level of Shariah compliance at the Takaful Operator is deemed satisfactory.

To form my opinion, I reviewed all aspects of the Window Takaful Operations and, to the best of my understanding and based on the information provided, I conclude that:

1. Financial transactions, relevant documentation, and procedures conducted during the year complied with the Shariah guidelines and Takaful Rules 2012.
2. The Shariah Screening Criteria was effectively applied across all investment and financial transactions.
3. No income was found to be non-compliant with Shariah principles, except for one case where a prorated amount was allocated to the charity account.
4. All transactions undertaken by the Takaful Operator adhered to Shariah principles.
5. The company has followed Shariah guidelines and addressed issues requiring consultation in accordance with Shariah rules and market practices.

Recommendations

The following recommendations are made to further enhance the company's Shariah compliance:

- **Internal Audit and Shariah Oversight**
 - Strengthen the Internal Audit Department by incorporating a dedicated resource for conducting Internal Shariah Audits. This resource should work closely with the Shariah Advisor to ensure dual oversight on operations and improve compliance further.

- **Staff Training and Development**

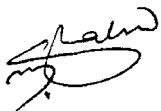
- It is advisable to conduct regular refresher courses on Takaful principles and practices for staff engaged in Takaful operations and distribution.
- HR should introduce introductory courses on Islamic financial systems, Takaful models, and contract types for current employees. Additionally, knowledge of Islamic finance and Takaful should be included as an evaluation criterion during the hiring process for new employees.

Commitment to Takaful and Future Prospects

The management of Century Insurance has shown commendable dedication in transitioning from conventional insurance to the Takaful business model. This transformation aligns with the Supreme Court ruling and constitutional amendments, reflecting the company's commitment to contributing toward a Riba-free economy.

The company's proactive approach toward adopting Shariah principles is expected to bring significant positive changes to its operations, enhance stakeholder trust, and support national efforts to establish a fully Shariah-compliant financial framework.

"And Allah Knows Best"



Mufti Muhammad Shakir Siddiqui

Shariah Advisor

Dated : January 30, 2025

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, 2024 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, 2024.

KARACHI

DATED: March 24, 2025

UDIN: CR202410166iOI60xkSZ



CHARTERED ACCOUNTANTS

Engagement Partner: Tariq Feroz Khan

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, 2024 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: February 14, 2025

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, 2024 (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 January 06, 2025. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the subject matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

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

Our Independence and Quality Management

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

The firm applies International Standard on Quality Management 1 “Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements” 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, 2024 is presented, in all material respects, in accordance with Takaful Rules, 2012.

KARACHI

DATED: February 14, 2025



BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Engagement Partner: Tariq Feroz Khan



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, 2024, 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, 2024 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:

S. No	Key audit matters	How the matter was addressed in our audit
1.	Revenue Recognition - Premium Earned	
	<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. 1,359.54 million (2023: 1,197.15 million) representing 13.56% increase. This income stream comprises of five segments: (i) Fire and property damage, (ii) Marine, aviation and transport, (iii) Motor, (iv) Miscellaneous, (v) Accident & 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"> • Obtained an understanding of, evaluated the design and tested the controls over the process of policy-writing, processing and recording of premium; • 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; • 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; • 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 • Recalculated the unearned portion of premium income and ensured that appropriate amount has been recorded as provision for unearned premium in liabilities.

S. No	Key audit matters	How the matter was addressed in our audit
2.	Valuation of outstanding claims including claims incurred but not reported (IBNR)	
	<p>As disclosed in note 25 to these financial statements, outstanding claims including IBNR amounting to Rs. 437.14 million as at December 31, 2024.</p> <p>The outstanding claims including IBNR represented 17.61% 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"> • 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; • 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; • 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; • Assessed of competence, capability and objectivity of management's expert; • Assessed the adequacy and completeness of data provided by the Company to its actuary and checked the input used. • Considered the adequacy of the Company's disclosures about the estimates used.

S. 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. 77.63 million, 1,210.86 million and 1,211.44 million respectively, which comprise of 58.14% 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"> • We assessed the design and operating effectiveness of selected key controls over acquisition (including board approval), disposals and periodic valuation including approval process. • 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, 2024; • 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; • 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 • Assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.

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, 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 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 and returns;
- 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 engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: March 24, 2025

UDIN: AR202410166vwxcJHBul

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Statement of Financial Position

As at December 31, 2024

	Note	December 31, 2024	December 31, 2023
		----- (Rupees)-----	
Assets			
Property and equipment	7	165,902,592	100,890,307
Intangible assets	8	54,250	747,250
Investment in associates	9	77,630,779	73,966,924
Investments			
Equity securities	10	1,210,857,038	941,604,326
Debt securities	11	2,111,443,916	1,851,391,049
Loan and other receivable	12	105,215,771	95,975,373
Insurance / reinsurance receivable	13	1,006,520,483	822,041,695
Reinsurance recoveries against outstanding claims	25	187,320,804	193,897,623
Salvage recoveries accrued		5,675,536	2,785,000
Deferred commission expense	26	44,220,466	32,747,815
Deferred taxation	20	-	1,941,781
Retirement benefit obligations	14	18,755,863	14,059,440
Prepayments	15	345,209,637	280,250,689
Cash and bank	16	265,532,244	436,347,757
		<u>5,544,339,379</u>	<u>4,848,647,029</u>
Total assets of Window Takaful Operations - Operator's fund	17	303,980,652	223,551,545
Total Assets		<u>5,848,320,031</u>	<u>5,072,198,574</u>
Equity and Liabilities			
Authorized share capital (70,000,000 Ordinary shares of Rs. 10 each)		<u>700,000,000</u>	<u>700,000,000</u>
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	18	553,264,840	553,264,840
Share premium		254,024,260	254,024,260
Reserves	19	311,395,677	216,463,724
Unappropriated profits		2,144,039,986	1,799,315,078
Total Equity		<u>3,262,724,763</u>	<u>2,823,067,902</u>
Liabilities			
Underwriting Provisions			
Outstanding claims including IBNR	25	437,137,544	397,707,648
Unearned premium reserve	24	1,032,531,259	816,790,202
Unearned reinsurance commission	26	68,651,541	53,028,033
		<u>1,538,320,344</u>	<u>1,267,525,883</u>
Deferred taxation	20	60,901,840	-
Premiums received in advance		5,000,978	7,260,474
Insurance / reinsurance payables	21	561,065,557	593,491,964
Other creditors and accruals	22	226,859,797	164,448,644
Taxation - provision less payments		89,764,370	136,226,166
Total Liabilities		<u>2,481,912,886</u>	<u>2,168,953,131</u>
Total liabilities of Window Takaful Operations - Operator's fund	17	103,682,382	80,177,541
Total Equity and Liabilities		<u>5,848,320,031</u>	<u>5,072,198,574</u>
Contingencies and commitments	23		

The annexed notes from 1 to 45 form an integral part of these financial statements.

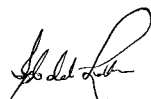
				
Iqbal Ali Lakhani Chairman	Amin Mohammed Lakhani Director	Aftab Ahmad Director	Mohammad Hussain Hirji Director & Chief Executive	Nawaid Jamal Chief Financial Officer

Profit and Loss Account

For the year ended December 31, 2024

	Note	December 31, 2024 ----- (Rupees)-----	December 31, 2023 -----
Net insurance premium	24	1,359,542,674	1,197,153,489
Net insurance claims	25	(760,639,116)	(618,517,621)
Net commission and other acquisition costs	26	82,365,067	87,072,346
Insurance claims and acquisition expenses		(678,274,049)	(531,445,275)
Management expenses	27	(470,138,608)	(413,795,674)
Underwriting results		211,130,017	251,912,540
Investment income	28	572,377,344	449,940,380
Other income	29	80,882,967	76,941,573
Other expenses	30	(13,967,516)	(15,032,603)
Results of operating activities		850,422,812	763,761,890
Finance costs - lease liabilities	22.6	(7,196,979)	(3,767,436)
Share of profit of associates	9	8,572,093	9,563,620
Profit from Window Takaful Operations - Operator's fund	17	90,109,476	60,516,986
Profit before tax		941,907,402	830,075,060
Income tax expense	31	(357,235,095)	(333,206,395)
Profit after tax		584,672,307	496,868,665
Earnings (after tax) per share of Rs. 10 each - basic	32	10.57	8.98

The annexed notes from 1 to 45 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



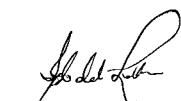
Nawaid Jamal
Chief Financial Officer

Statement of Comprehensive Income


For the year ended December 31, 2024

	December 31, 2024	December 31, 2023
	----- (Rupees)-----	
Profit after tax	584,672,307	496,868,665
Other comprehensive income		
Items that will never be reclassified to profit and loss account in subsequent year - net of tax		
Remeasurement of gain post retirement benefits obligation	8,840,729	21,162,935
Items that will be reclassified to profit and loss account in subsequent year:		
Unrealised appreciation on 'available for sale' investments - net of tax	105,741,371	17,203,102
Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net of tax	(12,766,901)	(5,136,374)
	92,974,470	12,066,728
- Share in other comprehensive income / (loss) of associates - net of tax	181,292	(110,402)
Unrealised appreciation on 'available for sale' investments of Window Takaful Operations - net of tax	5,311,949	3,354,466
Reclassification adjustment for net gain on available for sale investments included in profit and loss account of Window Takaful Operations - net of tax	(3,354,466)	(965,680)
	1,957,483	2,388,786
Other comprehensive income for the year	103,953,974	35,508,047
Total comprehensive income for the year	688,626,281	532,376,712

The annexed notes from 1 to 45 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



Nawaid Jamal
Chief Financial Officer

Cash Flow Statement

For the year ended December 31, 2024

	December 31, 2024	December 31, 2023
	Note	----- (Rupees)-----
Operating cash flows		
(a) Underwriting activities		
Insurance premium received	2,003,877,925	2,015,499,203
Reinsurance premium paid	(1,090,188,841)	(450,737,045)
Claims paid	(1,090,507,634)	(809,047,995)
Reinsurance and other recoveries received	552,452,514	227,093,778
Commission paid	(108,711,400)	(108,106,286)
Commission received	388,888,472	30,848,793
Management expenses paid	(462,866,740)	(402,191,040)
Net cash generated from underwriting activities	192,944,296	503,359,408
(b) Other operating activities		
Income tax paid	(343,686,063)	(242,889,771)
Other operating receipts	23,178,557	9,244,291
Net cash used in from other operating activities	(320,507,506)	(233,645,480)
Total cash (used in) / generated from operating activities	(127,563,210)	269,713,928
Investment activities		
Profit / return received	375,728,335	290,397,511
Dividends received	22,896,318	35,064,764
Payments for investments	(3,953,245,663)	(7,959,569,284)
Proceeds from disposal of investments	3,835,629,481	7,553,242,937
Fixed capital expenditure	(69,446,967)	(21,726,649)
Proceeds from sale of property and equipment	11,514,812	2,954,289
Total cash generated from / (used in) investing activities	223,076,316	(99,636,432)
Financing activities		
Dividends paid	(248,019,864)	(137,964,688)
Lease rentals paid	(18,308,755)	(21,440,803)
Total cash used in financing activities	(266,328,619)	(159,405,491)
Net cash (used in) / generated from all activities	(170,815,513)	10,672,005
Cash and cash equivalents at beginning of the year	436,147,757	425,475,752
Cash and cash equivalents at end of the year	16.2 265,332,244	436,147,757
Reconciliation to profit and loss account		
Operating cash flows	(127,563,210)	269,713,928
Depreciation / amortization expense	(32,087,789)	(32,117,445)
Profit / (loss) on disposal of property and equipment	3,398,857	(574,931)
Profit on disposal of investments	74,663,986	105,578,098
Dividend income	17,806,788	32,216,715
Other investment income	568,468,402	393,538,048
Share of profit of associates	8,572,093	9,563,620
Increase in assets other than cash	238,905,804	65,563,620
Increase in liabilities other than running finance	(222,459,404)	(382,106,055)
Profit from Window Takaful Operations	54,966,780	35,513,637
Profit after tax	584,672,307	496,889,235


The annexed notes from 1 to 45 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


Nawaid Jamal
Chief Financial Officer

Statement of Changes In Equity

For the year ended December 31, 2024

	Attributable to equity holders of the Company					
	Share capital	Capital reserves		Revenue reserves		Total
	Issued, subscribed and paid-up	Share premium	General reserve	Unrealised appreciation / (diminution) 'available for sale' investments	Retained earnings	
	(Rupees)					
Balance as at January 01, 2023	553,264,840	254,024,260	119,000,000	83,008,210	1,419,710,349	2,429,007,659
Total comprehensive income for the year						
Profit after tax for the year	-	-	-	-	496,868,665	496,868,665
Other comprehensive income						
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)
Total comprehensive income for the year	-	-	-	14,455,514	517,921,198	532,376,712
Transactions with owners recorded directly in equity						
Final cash dividend of Rs. 2.50 (25.00%) per share for the year ended December 31, 2022	-	-	-	-	(138,316,469)	(138,316,469)
Balance as at December 31, 2023	553,264,840	254,024,260	119,000,000	97,463,724	1,799,315,078	2,823,067,902
Total comprehensive income for the year						
Profit after tax for the year	-	-	-	-	584,672,307	584,672,307
Other comprehensive income						
Share in other comprehensive loss of associates	-	-	-	-	181,292	181,292
Remeasurement of post retirement benefits obligation	-	-	-	-	8,840,729	8,840,729
Net unrealised gain arising during the year on revaluation of available for sale investments (including WTO) net of tax	-	-	-	111,053,320	-	111,053,320
Reclassification adjustment for net gain on available for sale investments included in profit and loss account (Including WTO) net of tax	-	-	-	(16,121,367)	-	(16,121,367)
Total comprehensive income for the year	-	-	-	94,931,953	593,694,328	688,626,281
Transactions with owners recorded directly in equity						
Final cash dividend of Rs. 4.50 (45.00%) per share for the year ended December 31, 2023	-	-	-	-	(248,969,420)	(248,969,420)
Balance as at December 31, 2024	553,264,840	254,024,260	119,000,000	192,395,677	2,144,039,986	3,262,724,763

The annexed notes from 1 to 45 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	Nawaid Jamal Chief Financial Officer

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Century Insurance Company Limited (the Company) is a public limited company incorporated in Pakistan on October 10, 1985 under the repealed Companies Ordinance, 1984 (now 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 Office	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.
Karachi City Office	Falak Corporate City, Office # 901, 9th Floor, Opposite Chamber of Commerce, Talpur 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 # 708, United Mall, 7th Floor, Abdali 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.

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

In case requirements differ, the provisions of and directives of and 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.

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, 2024

The following standards, amendments and interpretations are effective for the year ended December 31, 2024. 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 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 7 'Statement of Cash Flows' - Supplier finance arrangements

January 01, 2024

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' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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.

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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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.

Class	2024 ----- % -----	2023
Fire and property damage	20	21
Marine, aviation and transport	15	12
Motor	45	45
Accident and health	86	85
Miscellaneous	18	25

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 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 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.

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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.
- 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 metho

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.

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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.

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.

Levy

During the year, the Institute of Chartered Accountants of Pakistan issued guidance namely “IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes” through circular No. 7/2024 dated May 15, 2024, and defined the following two approaches for bifurcation of tax between current and minimum taxes. Given that the Company is subject to income tax at the normal corporate tax rate of 29% under the prevailing tax laws of Pakistan and does not fall under the minimum tax or final tax regime, this guidance does not impact its financial statements. The Company recognizes its income tax expense strictly in accordance with IAS 12 – Income Taxes, based on taxable income. Therefore, the requirement to classify any portion of the tax as a levy under IFRIC 21 or IAS 37 is not applicable.

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, 2024.

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.

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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.

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, 2024.

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.

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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.

	December 31, 2024				
	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) -----				
Financial assets					
Investment in associate	190,921,879	-	-	-	-
Investments					
- Equity securities - available for sale	875,730,496	217,708,935	-	-	-
- Equity securities - held for trading	335,126,542	89,649,222	-	-	-
- Debt securities - held for trading	-	-	734,534,540	-	2,289,144
- Debt securities - available for sale	-	-	1,347,042,600	-	45,789,190
- Debt securities - held to maturity	-	-	29,866,776	-	-
Loan and other receivables*	105,215,771	-	-	-	-
Cash and bank	265,532,244	-	-	-	-
TOTAL	1,772,526,932	307,358,157	2,111,443,916	-	48,078,334

	Gross Carrying amount of debt instruments that pass the SPPI test					
	AA-	A+	A	A-	Unrated	Total
	----- (Rupees) -----					
Investment in debt securities						
Held for trading	-	-	-	-	734,534,540	734,534,540
Available for sale	149,790,000	77,936,400	20,000,000	15,000,000	1,084,316,200	1,347,042,600
Held to maturity	-	-	-	-	29,866,776	29,866,776
	149,790,000	77,936,400	20,000,000	15,000,000	1,848,717,516	2,111,443,916

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

7. PROPERTY AND EQUIPMENT

		December 31, 2024	December 31, 2023
	Note	----- (Rupees) -----	-----
Operating assets	7.1	126,641,587	78,439,744
Right to use assets	7.2	39,261,005	16,493,563
Capital work in progress	7.3	-	5,957,000
		165,902,592	100,890,307

7.1 Operating assets

	December 31, 2024									Depreciation rate %
	Cost			Depreciation			Written down value as at December 31, 2024			
	As at January 01, 2024	Additions / Transfers*	Disposals	As at December 31, 2024	As at January 01, 2024	For the year (Note 7.1.1)		Disposals	As at December 31, 2024	
Office improvement	18,541,456	4,564,924	-	23,106,380	14,591,459	824,205	-	15,415,664	7,690,716	10
Furniture and fixtures	17,392,636	3,494,630	55,000	20,832,266	13,100,094	1,022,236	54,990	14,067,340	6,764,926	10
Office equipment	18,273,310	3,730,991	1,089,711	20,914,590	14,684,842	1,662,267	1,010,104	15,337,005	5,577,585	10 - 33
Computer and related accessories	11,825,076	6,139,832	1,178,491	16,786,417	8,929,967	2,704,291	1,120,861	10,513,397	6,273,020	33
Motor vehicles	120,924,742	57,473,590	26,579,044	151,819,288	57,211,114	12,873,170	18,600,336	51,483,948	100,335,340	20 - 33
	186,957,220	75,403,967	28,902,246	233,458,941	108,517,476	19,086,169	20,786,291	106,817,354	126,641,587	

	December 31, 2023									Depreciation rate %
	Cost			Depreciation			Written down value as at December 31, 2023			
	As at January 01, 2023	Additions / Transfers*	Disposals	As at December 31, 2023	As at January 01, 2023	For the year		Disposals	As at December 31, 2023	
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
	179,581,216	18,349,860	10,973,856	186,957,220	99,113,177	16,858,425	7,454,126	108,517,476	78,439,744	

7.1.1 During the year ended December 31, 2024, an aggregate amount of Rs. 1.145 million out of depreciation of Rs. 19.086 million has been allocated to window takaful operations.

7.2 Right to use assets

Right to use assets	Cost				Depreciation				Written down value as at December 31, 2024
	As at January 01, 2024	Additions	(Disposals / written off)	As at December 31, 2024	As at January 01, 2024	For the year	(Disposals / written off)	As at December 31, 2024	
	(Rupees)								
Property lease	27,139,897	36,826,812	-	63,966,709	10,646,334	14,059,370	-	24,705,704	39,261,005
December 31, 2023	73,879,907	-	46,740,010	27,139,897	37,696,211	16,183,105	43,232,982	10,646,334	16,493,563

7.3 Capital work-in-progress

	December 31, 2024	December 31, 2023
	(Rupees)	(Rupees)
Advance against purchase of vehicles	-	5,957,000
	-	5,957,000

8. INTANGIBLE ASSETS

Intangible assets	8.1	54,250	147,250
Capital work-in-progress		-	600,000
		54,250	747,250

		Cost			Amortisation			Written down			
		As at January 01, 2024	Additions	(Disposals / written off)	As at December 31, 2024	As at January 01, 2023	For the year	(Disposals / written off)	As at December 31, 2024	value as at December 31, 2024	Amortisation rate %
8.1	Intangible assets	----- (Rupees) -----									
	Computer software	7,285,837	-	-	7,285,837	7,138,587	93,000	-	7,231,587	54,250	33
	December 31, 2023	7,285,837	-	-	7,285,837	7,045,587	93,000	-	7,138,587	147,250	33

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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.

2024 ---- (Number of shares) ----	2023 ---- (Number of shares) ----	Face value per share -- (Rupees) --	Quoted	Note	December 31, 2024 ----- (Rupees) -----	December 31, 2023 ----- (Rupees) -----
89,290	89,290	10	Colgate Palmolive (Pakistan) Limited (CPPL) (Incorporated in Pakistan)	9.1	18,418,158	16,308,404
1,720,031	1,720,031	10	Century Paper & Board Mills Limited (CPBML) (Incorporated in Pakistan)	9.1	59,212,621	57,658,520
					<u>77,630,779</u>	<u>73,966,924</u>

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

	December 31, 2024		
	Colgate Palmolive (Pakistan) Limited	Century Paper & Board Mills Limited	Total
	----- (Rupees) -----		
Opening balance as at January 01, 2024	16,308,404	57,658,520	73,966,924
Share of profit	7,215,063	1,357,030	8,572,093
Share of other comprehensive (loss) / income	(15,779)	197,071	181,292
Dividend received	(5,089,530)	-	(5,089,530)
Closing balance as at December 31, 2024	<u>18,418,158</u>	<u>59,212,621</u>	<u>77,630,779</u>
	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	<u>16,308,404</u>	<u>57,658,520</u>	<u>73,966,924</u>

9.2 Market value of investments in associates is as follows:

	December 31, 2024 ----- (Rupees) -----	December 31, 2023 ----- (Rupees) -----
Quoted		
Colgate Palmolive (Pakistan) Limited	134,229,657	141,256,780
Century Paper & Board Mills Limited	56,692,222	56,004,210
	<u>190,921,879</u>	<u>197,260,990</u>

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

	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
Colgate Palmolive (Pakistan) Limited	0.037%	0.037%
Century Paper & Board Mills Limited	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 / nine months period ended September 30, 2024. 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:

	Colgate Palmolive (Pakistan) Limited		Century Paper & Board Mills Limited	
	December 31, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- (Rupees) -----			
For the period ended				
Revenues	116,078,350,000	91,800,389,000	40,750,142,000	33,417,243,000
Profit after tax	19,617,252,000	13,564,436,000	316,934,000	1,068,428,000
Other comprehensive (loss) / income	(42,903,000)	(73,349,000)	46,026,000	(19,484,000)
Total comprehensive income	19,574,349,000	13,491,087,000	362,960,000	1,048,944,000
At period end				
Non current assets	9,980,473,000	8,335,593,000	11,278,144,000	11,830,870,000
Current assets	47,410,781,000	45,932,257,000	19,795,590,000	17,390,937,000
Non current liabilities	(2,106,837,000)	(1,780,384,000)	(4,377,817,000)	(5,347,717,000)
Current liabilities	(19,073,718,000)	(22,013,039,000)	(12,866,762,000)	(10,407,895,000)
Net assets	36,210,699,000	30,474,427,000	13,829,155,000	13,466,195,000
Interest in net assets of investee at end of the year	13,318,623	11,208,770	59,212,621	57,658,520
Fair value and other adjustments at acquisition	5,099,535	5,099,734	-	-
Carrying amount of interest in equity accounted investees at end of the year	18,418,158	16,308,504	59,212,621	57,658,520

			December 31, 2024				December 31, 2023			
			Cost	Impairment on AFS	Unrealised gain on revaluation	Carrying value	Cost	Impairment on AFS	Unrealised gain / (loss) on revaluation	Carrying value
10.	INVESTMENTS IN EQUITY SECURITIES	Note	----- (Rupees) -----							
	Available for sale	10.1	658,021,561	-	217,708,935	875,730,496	672,443,300	-	137,005,741	809,449,041
	Held for trading	10.2	245,477,320	-	89,649,222	335,126,542	100,180,211	-	31,975,074	132,155,285
			903,498,881	-	307,358,157	1,210,857,038	772,623,511	-	168,980,815	941,604,326
10.1	Available for sale									
	Related parties									
	Mutual funds	10.1.1	522,649,799	-	205,373,631	728,023,430	364,055,116	-	121,904,871	485,959,987
	Others									
	Listed shares		-	-	-	-	4,926,319	-	2,312,515	7,238,834
	Unlisted shares		75,283	-	-	75,283	75,283	-	-	75,283
	Mutual funds		135,296,479	-	12,335,304	147,631,783	303,386,582	-	12,788,355	316,174,937
			135,371,762	-	12,335,304	147,707,066	308,388,184	-	15,100,870	323,489,054
			658,021,561	-	217,708,935	875,730,496	672,443,300	-	137,005,741	809,449,041
10.2	Investment at fair value through profit and Loss									
	Listed shares		245,477,320	-	89,649,222	335,126,542	100,180,211	-	31,975,074	132,155,285

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

10.1.1 Related parties

				December 31, 2024				December 31, 2023			
December 31, 2024	December 31, 2023	Face value per unit	Name of entity	Cost	Impairment on AFS	Unrealised gain on revaluation	Carrying value	Cost	Impairment on AFS	Unrealised gain on revaluation	Carrying value
----- (Number of units) -----		-- (Rupees) --		----- (Rupees) -----							
Open-end mutual funds											
3,008,367	1,594,792	100	Lakson Money Market Fund	322,649,799	-	14,837,231	337,487,030	164,055,116	-	2,003,925	166,059,041
Closed-end fund											
200	200	1,000,000	Lakson Private Equity Fund	200,000,000	-	190,536,400	390,536,400	200,000,000	-	119,900,946	319,900,946
				522,649,799	-	205,373,631	728,023,430	364,055,116	-	121,904,870	485,959,987

11. INVESTMENTS IN DEBT SECURITIES

		December 31, 2024			December 31, 2023		
		Cost	Unrealised gain / (loss) on revaluation	Carrying value	Cost	Unrealised gain on revaluation	Carrying value
		----- (Rupees) -----					
INVESTMENTS IN DEBT SECURITIES							
	Note						
Held for trading							
Government securities	11.1.1	732,245,396	2,289,144	734,534,540	970,984,235	4,194,996	975,179,231
Held to maturity							
Government securities	11.1.2 & 11.1.3	29,866,776	-	29,866,776	29,827,578	-	29,827,578
Available for sale							
Sukuk	11.1.4	25,000,000	-	25,000,000	25,000,000	-	25,000,000
Term finance certificate	11.1.5	237,726,400	-	237,726,400	342,597,600	1,195,251	343,792,851
Government securities	11.1.6	1,038,527,010	45,789,190	1,084,316,200	483,244,131	(5,652,742)	477,591,389
		1,301,253,410	45,789,190	1,347,042,600	850,841,731	(4,457,491)	846,384,240
		2,063,365,582	48,078,334	2,111,443,916	1,851,653,544	(262,495)	1,851,391,049

11.1 Particulars of debt securities are as follow

11.1.1 Pakistan Investment Bonds

Pakistan Investment Bonds					Carrying Value	
Type of security	Maturity date	Profit rate ----- (%) -----	Profit payment	Face value -- (Rupees) --	December 31,	December 31,
					2024	2023
					----- (Rupees) -----	
Pakistan Investment Bond - 10 years	August 22, 2029	19.482	Semi Annually	35,000,000	34,496,000	34,427,750
Pakistan Investment Bond - 10 years	July 25, 2029	20.434	Semi Annually	6,000,000	5,900,400	5,906,850
Pakistan Investment Bond - 5 years	May 06, 2026	13.341	Semi Annually	198,500,000	197,864,800	194,773,163
Pakistan Investment Bond - 10 years	November 04, 2031	13.341	Semi Annually	22,500,000	21,489,750	21,330,563
Pakistan Investment Bond - 5 years	November 17, 2026	13.422	Semi Annually	123,200,000	121,007,040	119,584,080
Pakistan Investment Bond - 5 years	April 06, 2028	13.422	Semi Annually	341,000,000	333,873,100	331,196,250
Pakistan Investment Bond - 5 years	December 14, 2028	14.233	Semi Annually	20,500,000	19,903,450	19,798,900
Pakistan Investment Bond - 5 years	September 19, 2024	-	Semi Annually	25,000,000	-	23,465,425
Pakistan Investment Bond - 2 years	December 30, 2023	-	Semi Annually	225,000,000	-	224,696,250
					734,534,540	975,179,231

11.1.2 Pakistan Investment Bonds

					Carrying Value	
Type of security	Maturity date	Profit rate	Profit payment	Face value	December 31, 2024	December 31, 2023
		----- (%) -----		-- (Rupees) --	----- (Rupees) -----	
Pakistan Investment Bond - 10 years	May 31, 2028	16.229	Semi Annually	30,000,000	29,866,776	29,827,578
		4			29,866,776	29,827,578

The market value of held to maturity debt securities is Rs. 29.435 million (2023: Rs. 29.386 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 Sukkuk

No. of certificates		Company's name	Maturity date	Effective Rate	Face value	Carrying Value	
December 31, 2023	December 31, 2022					December 31, 2024	December 31, 2023
					---	(Rupees) ---	----- (Rupees)-----
5,000	5,000	Dubai Islamic Bank Pakistan Ltd	Perpetual	Kibor plus 1.75 %	5,000,000	25,000,000	25,000,000
						<u>25,000,000</u>	<u>25,000,000</u>

11.1.5 Term finance certificate

No. of certificates		Company's name	Maturity date	Effective Rate rate	Face value	Carrying Value	
December 31, 2024	December 31, 2023					December 31, 2024	December 31, 2023
					---	(Rupees) ---	----- (Rupees)-----
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	52,936,400	52,957,600
150	150	NSRP Microfinance Bank Limited	July 09, 2028	3 months Kibor plus 3%	100,000	15,000,000	15,000,000
1,500	1,500	Samba Bank Limited	March 01, 2031	6 months Kibor plus 1.35%	5,000	149,790,000	149,630,586
-	21,000	Bank Al Habib Limited	December 06, 2028	6 months Kibor plus 1%	4,990	-	106,204,665
						<u>237,726,400</u>	<u>343,792,851</u>

11.1.6 Pakistan Investment Bonds / Treasury Bills

Type of security	Maturity date	Profit / yield rate	Profit payment	Face value	Carrying Value	
					December 31, 2024	December 31, 2023
		----- (%) -----		---	(Rupees) ---	----- (Rupees)-----
Pakistan Investment Bond - 10 years *	September 19, 2029	10.00	Semi Annually	50,000,000	45,860,550	42,432,450
Pakistan Investment Bond - 3 years	July 04, 2026	12.00	Semi Annually	70,000,000	69,812,540	65,202,340
Pakistan Investment Bond - 5 years	September 20, 2029	14.00	Semi Annually	50,000,000	52,844,100	-
Pakistan Investment Bond - 5 years	September 17, 2029	14.00	Semi Annually	218,600,000	229,582,683	-
Pakistan Investment Bond - 3 years	February 15, 2027	14.00	Semi Annually	316,500,000	326,094,698	-
Treasury bill 1 year	February 06, 2025	20.00	on maturity	15,000,000	14,819,325	-
Treasury bill 1 year	May 02, 2025	20.75	on maturity	76,000,000	73,067,236	-
Treasury bill 1 year	March 25, 2025	20.20	on maturity	14,000,000	13,645,142	-
Treasury bill 1 year	June 12, 2025	18.85	on maturity	136,000,000	129,117,856	-
Treasury bill 3 month	January 23, 2025	14.20	on maturity	25,000,000	24,810,200	-
Treasury bill 1 year	November 27, 2025	12.08	on maturity	24,000,000	21,578,904	-
Treasury bill 1 year	December 11, 2025	11.98	on maturity	26,000,000	23,271,066	-
Treasury bill 1 year	January 09, 2025	12.05	on maturity	60,000,000	59,811,900	-
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	September 19, 2024	9.50	Semi Annually	50,000,000	-	46,930,850
					<u>1,084,316,200</u>	<u>477,591,389</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, 2024

		December 31, 2024	December 31, 2023
	Note	----- (Rupees) -----	-----
12. LOAN AND OTHER RECEIVABLE			
Accrued investment income		79,915,908	71,925,639
Security deposits		8,971,358	7,704,004
Advance to employees		6,774,268	7,101,596
Advance against expenses		1,495,864	2,073,409
Window Takaful Operations		7,401,634	6,695,183
Others		656,739	475,542
		<u>105,215,771</u>	<u>95,975,373</u>
13. INSURANCE / RE-INSURANCE RECEIVABLE			
Due from insurance contract holders	13.1	904,832,614	533,971,144
Amounts due from other insurers / reinsurers	13.5	44,993,449	17,547,046
Reinsurance recoveries due but unpaid		56,694,420	270,523,505
		<u>1,006,520,483</u>	<u>822,041,695</u>
13.1 Due from insurance contract holders			
Unsecured			
Considered good	13.2	904,832,614	533,971,144
Considered doubtful		24,072,139	22,992,958
		<u>928,904,753</u>	<u>556,964,102</u>
Provision for doubtful balances	13.4	(24,072,139)	(22,992,958)
		<u>904,832,614</u>	<u>533,971,144</u>
13.2	This includes a sum of Rs. 652.054 million (December 31, 2023: Rs. 381.741 million) due from related parties.		
13.3	The maximum aggregate amount due from related parties during the year was in month of December 2024 amounting Rs. 652.054 million (June 2023: 610.000 million.)		
13.4 Provision for doubtful balances		December 31, 2024	December 31, 2023
		----- (Rupees) -----	-----
Opening balance		22,992,958	24,169,853
Provision made during the year		1,414,920	1,222,795
Recoveries during the year		(335,739)	(2,399,690)
		<u>1,079,181</u>	<u>(1,176,895)</u>
Closing balance		<u>24,072,139</u>	<u>22,992,958</u>
13.5 Amounts due from other insurers / reinsurers			
Unsecured			
Considered good			
Local reinsurers		47,120,669	47,013,583
Foreign reinsurers		11,271,188	-
Co-insurers		32,614,074	16,545,945
		<u>91,005,931</u>	<u>63,559,528</u>
Provision for doubtful balances		(46,012,482)	(46,012,482)
		<u>44,993,449</u>	<u>17,547,046</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: 12.25% (December 31, 2023: 15.50%) per annum.
- Expected rate of increase in the salaries of the employees: 12.25% (December 31, 2023: 15.50%) per annum.
- Expected interest rate on plan assets of the scheme: 12.25% (December 31, 2023: 15.50%) per annum.
- Average length of service of the employees: 10.08 years (December 31, 2023: 10.32 years).

	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
14.1 Liability in statement of financial position		
Present value of defined benefit obligations	100,651,359	89,339,028
Fair value of plan assets	(119,407,223)	(103,398,469)
	<u>(18,755,864)</u>	<u>(14,059,441)</u>
14.2 Movement in liability during the year		
Balance as at January 01	(14,059,440)	18,659,835
Charge to profit and loss account	4,144,306	7,103,495
Charged to other comprehensive income	(8,840,729)	(21,162,935)
Contributions to the fund during the year	-	(18,659,835)
Balance as at December 31	<u>(18,755,863)</u>	<u>(14,059,440)</u>
14.3 Reconciliation of the present value of defined benefit obligations		
Present value of obligations as at January 01	89,339,028	77,783,995
Current service cost	6,323,520	5,750,657
Interest cost	13,459,447	11,075,947
Benefits paid	(5,007,766)	(2,796,303)
Actuarial gain	(3,462,870)	(2,475,268)
Present value of obligations as at December 31	<u>100,651,359</u>	<u>89,339,028</u>
14.4 Reconciliation of the fair value of plan assets		
Fair value of plan assets as at January 01	103,398,469	59,124,160
Expected return on plan assets	15,638,661	9,723,109
Contribution to the fund	-	18,659,835
Benefits paid	(5,007,766)	(2,796,303)
Actuarial gain / (loss)	5,377,859	18,687,668
Fair value of plan assets as at December 31	<u>119,407,223</u>	<u>103,398,469</u>
14.5 Charge to profit and loss account		
Current service cost	6,323,520	5,750,657
Interest cost	13,459,447	11,075,947
Expected return on plan assets	(15,638,661)	(9,723,109)
	<u>4,144,306</u>	<u>7,103,495</u>
14.6 Remeasurements recognized in other comprehensive income, (expense) / income during the year		
Actuarial (loss) / gain on obligations	3,462,870	2,475,268
Actuarial gain / (loss) on assets	5,377,859	18,687,667
	<u>8,840,729</u>	<u>21,162,935</u>
14.7 Expected return on plan assets		
Expected return on assets	<u>15,638,661</u>	<u>9,723,109</u>

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

14.8	Composition of fair value of plan assets	2024		2023	
		Fair value --- (Rupees) ---	Percentage ----- (%) -----	Fair value --- (Rupees) ---	Percentage ----- (%) -----
	Funds - related party	82,601,098	69	79,573,553	77
	Government securities	32,875,295	28	21,644,435	21
	Cash and bank balances	3,930,830	3	2,180,481	2
	Fair value of plan assets	<u>119,407,223</u>	<u>100</u>	<u>103,398,469</u>	<u>100</u>

14.9	Historical data of the fund	2024	2023	2022	2021	2020
		-----	-----	(Rupees) -----	-----	-----
	Present value of defined benefit obligations	100,651,359	89,339,028	77,786,995	64,845,800	55,264,597
	Fair value of plan assets	<u>(119,407,223)</u>	<u>(103,398,469)</u>	<u>(59,124,160)</u>	<u>(55,172,888)</u>	<u>(50,745,078)</u>
	Deficit / (surplus)	<u>(18,755,864)</u>	<u>(14,059,441)</u>	<u>18,662,835</u>	<u>9,672,912</u>	<u>4,519,519</u>
	Experience adjustments					
	Actuarial (gain) / loss / on obligation	<u>(3,462,870)</u>	<u>(2,475,268)</u>	<u>256,919</u>	<u>(662,043)</u>	<u>643,704</u>
	Actuarial gain / (loss) on assets	<u>5,377,859</u>	<u>18,687,668</u>	<u>(12,476,546)</u>	<u>(5,086,493)</u>	<u>1,069,628</u>

14.10 The estimated contribution to the fund for the year ended December 31, 2025 is Rs. 4.125 million.

14.11	Sensitivity analysis	Change in assumption	Impact on Defined Benefit Obligation	
			2024	2023
			----- (Rupees) -----	-----
	Discount rate	+1	92,965,953	82,688,416
	Discount rate	-1	108,376,475	96,916,437
	Long term salary increase	+1	108,299,115	96,847,017
	Long term salary increase	-1	92,905,301	82,634,000

15.	PREPAYMENTS	Note	December 31, 2024	December 31, 2023
			----- (Rupees) -----	-----
	Prepaid reinsurance premium ceded	24	341,869,238	276,559,169
	Others		3,340,399	3,691,520
			<u>345,209,637</u>	<u>280,250,689</u>

16. CASH AND BANK

Cash and cash equivalents

Cash in hand	592,920	497,550
Policy stamps and bond papers in hand	5,047,756	2,774,872
	<u>5,640,676</u>	<u>3,272,422</u>

Current and other accounts

Current accounts	16.1	10,100,470	22,865,868
Saving accounts	16.3	249,791,098	410,209,467
		<u>259,891,568</u>	<u>433,075,335</u>
		<u>265,532,244</u>	<u>436,347,757</u>

- 16.1** This includes lien on a local currency account, amounting to Rs. 0.020 million (December 31, 2023: Rs. 0.200 million) in respect of letters of credit arranged through a bank claims arising outside Pakistan.

December 31, 2024	December 31, 2023
-----	-----
(Rupees)	

16.2 Cash includes the following for the purpose of the Statement of Cash Flows:

Cash and balance	265,532,244	436,347,757
Less: Local currency account with a lien	200,000	200,000
	<u>265,332,244</u>	<u>436,147,757</u>

- 16.3** Savings accounts carry expected profit rates ranging from 6.00% to 12.50% (2023: 20.50% to 21.50%) per annum.

December 31, 2024	December 31, 2023
-----	-----
(Rupees)	

17. WINDOW TAKAFUL OPERATIONS

Assets

Investments	212,285,577	151,057,179
Cash and bank deposits	12,085,345	14,731,012
Current assets - others	79,609,730	57,763,354
Total assets	<u>303,980,652</u>	<u>223,551,545</u>

Total liabilities - current	<u>103,682,382</u>	<u>80,177,541</u>
------------------------------------	--------------------	-------------------

Profit before tax for the year	<u>90,109,476</u>	<u>60,516,986</u>
---------------------------------------	-------------------	-------------------

Details of assets and liabilities and segment disclosures of Window Takaful Operations are stated in annexed financial statements for the year ended December 31, 2024.

18. SHARE CAPITAL

18.1 Authorized capital

December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
-----	-----	(Number of shares)	-----	-----
<u>70,000,000</u>	<u>70,000,000</u>	Ordinary shares of Rs. 10 each	<u>700,000,000</u>	<u>700,000,000</u>

18.2 Issued, subscribed and paid-up

December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
-----	-----	(Number of shares)	-----	-----
<u>13,981,213</u>	<u>13,981,213</u>	Ordinary shares of Rs. 10 each issued as fully paid in cash	<u>139,812,130</u>	<u>139,812,130</u>
<u>41,345,271</u>	<u>41,345,271</u>	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	<u>413,452,710</u>	<u>413,452,710</u>
<u>55,326,484</u>	<u>55,326,484</u>		<u>553,264,840</u>	<u>553,264,840</u>

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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

	December 31, 2024	December 31, 2023
	----- (Number of Shares) -----	
Siza (Private) Limited	7,873,097	7,873,097
Siza Services (Private) Limited	13,037,355	13,037,355
Siza Commodities (Private) Limited	5,492,413	5,492,413
Premier Fashions (Private) Limited	16,021,360	16,021,360
Directors and their spouses	289,155	289,155
Related parties - individuals	6,135	6,135
	<u>42,719,515</u>	<u>42,719,515</u>

19. RESERVES

Revenue reserves

General reserve	119,000,000	119,000,000
Unrealised appreciation on 'available for sale' investments - net of tax	192,395,677	97,463,724
	<u>311,395,677</u>	<u>216,463,724</u>

December 31, 2024	December 31, 2023
----- (Rupees) -----	

20. DEFERRED TAXATION - NET

Deferred debit arising in respect of:

Net liability of Leases	(1,472,586)	(617,784)
Provision for claims incurred but not reported (IBNR)	(12,469,316)	(11,869,766)
Provision for compensated absences	(3,417,452)	(3,050,109)
Provision against receivables	(20,324,540)	(20,011,578)
Provision for impairment on available for sale investments	(22,951,438)	(22,951,438)
Share in associates' reserves	(105,312)	(105,312)
	<u>(60,740,644)</u>	<u>(58,605,987)</u>

Deferred credit arising in respect of:

Accelerated depreciation on operating fixed assets	689,432	(2,812,057)
Share of profit from associates	11,610,469	10,547,951
Unrealised gain on remeasurement of securities at held for trading - net	32,928,103	10,489,320
Unrealised appreciation 'available for sale' investments	76,414,480	38,438,992
	<u>121,642,484</u>	<u>56,664,206</u>
	<u>60,901,840</u>	<u>(1,941,781)</u>

21. INSURANCE / REINSURANCE PAYABLES

Due to other insurers / reinsurers	561,065,557	593,491,964
	<u>561,065,557</u>	<u>593,491,964</u>

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.

		December 31, 2024	December 31, 2023
		----- (Rupees) -----	
22.	OTHER CREDITORS AND ACCRUALS		
Agent commission payable	22.1	57,006,856	50,428,650
Federal excise duty		42,731,431	19,996,543
Federal insurance fees		3,498,836	1,649,983
Creditors	22.2	7,470,344	7,684,995
Retention money		148,185	148,185
Margin deposits	22.3	15,207,867	16,848,806
Withholding tax payable		46,050	61,164
Accrued expenses	22.4	18,475,126	17,618,932
Deposits from employees against car scheme	22.5	28,502,536	22,833,219
Unclaimed dividend		7,252,674	6,303,118
Lease liability	22.6	44,338,889	18,623,853
Others		2,181,003	2,251,196
		226,859,797	164,448,644

22.1 This includes a sum of Rs. 25.294 million (December 31, 2023: Rs. 25.294 million) due to related parties.

22.2 This includes outstanding claims in respect of which cheques aggregating to Rs. 5.401 million (2023: Rs. 4.760 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:

					December 31, 2024	December 31, 2023
					----- (Rupees) -----	-----
1 to 6 months					728,903	326,951
More than 6 months					4,672,457	4,432,876
					<u>5,401,360</u>	<u>4,759,827</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) -----					-----
2024	728,903	85,115	802,222	680,731	3,104,389	5,401,360
2023	326,951	542,756	785,731	347,279	2,757,110	4,759,827

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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
22.4 Accrued expenses		
Auditor's remuneration	1,301,685	1,516,600
Professional services fee	440,000	456,624
Provision for compensated absences	11,784,318	10,517,618
Utilities	253,326	250,646
Others	4,695,797	4,877,444
	<u>18,475,126</u>	<u>17,618,932</u>

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

	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
22.6 Lease liability		
Opening balance	18,623,853	40,661,057
Additions	36,826,812	-
Finance cost	7,196,979	3,767,436
Terminations	-	(4,363,837)
Payment made	(18,308,755)	(21,440,803)
Closing balance	<u>44,338,889</u>	<u>18,623,853</u>

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

During the preceding years, the Company received orders under section 122(5A) passed by the Additional Commissioner Inland Revenue (ACIR) 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 (ACIR) 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 (ACIR) 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 million. We have 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.

23.2 Commitments

	December 31, 2024	December 31, 2023
	----- (Rupees) -----	-----
Capital work-in-progress		
Software development	-	600,000

24. NET INSURANCE PREMIUM

Written Gross premium	2,362,180,841	1,969,052,906
Add : Unearned premium reserve opening	816,790,202	737,791,111
Less: Unearned premium reserve closing	1,032,531,259	816,790,202
Premium earned	2,146,439,784	1,890,053,815
Less: Reinsurance premium ceded	852,207,179	722,724,893
Add: Prepaid reinsurance premium opening	276,559,169	246,734,602
Less: Prepaid reinsurance premium closing	341,869,238	276,559,169
Reinsurance expense	786,897,110	692,900,326
	1,359,542,674	1,197,153,489

25. NET INSURANCE CLAIMS EXPENSE

Claim paid	1,090,507,634	809,047,995
Add : Outstanding claims including IBNR closing	437,137,544	397,707,648
Less: Outstanding claims including IBNR opening	397,707,648	391,209,002
Claims expense	1,129,937,530	815,546,641
Less: Reinsurance and others recoveries received	375,875,233	196,548,526
Add: Reinsurance and others recoveries in respect of outstanding claims closing	187,320,804	193,897,623
Less: Reinsurance and others recoveries in respect of outstanding claims opening	193,897,623	193,417,129
Reinsurance and other recoveries revenue	369,298,414	197,029,020
	760,639,116	618,517,621

25.1 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	2019 and prior	2020	2021	2022	2023	2024 (including IBNR)	Total
Gross estimate of ultimate claims cost:							
- At end of accident	514,974,665	629,502,400	566,282,671	1,154,072,533	791,256,788	1,172,071,376	4,828,160,433
- One year later	545,300,916	678,949,779	594,761,490	1,189,702,262	819,340,738	-	3,828,055,185
- Two year later	550,795,366	680,160,250	590,764,741	1,157,842,019	-	-	2,979,562,376
- Three year later	544,403,239	676,560,417	590,674,971	-	-	-	1,811,638,627
- Four year later	540,696,004	678,616,437	-	-	-	-	1,219,312,441
- Five year later	541,302,330	-	-	-	-	-	541,302,330
Current estimate of cumulative claims	541,302,330	678,616,437	590,674,971	1,157,842,019	819,340,738	1,172,071,376	4,959,847,871
Cumulative payment to date	(502,879,526)	(674,101,483)	(583,099,755)	(1,139,107,351)	(773,207,520)	(850,314,692)	(4,522,710,327)
Liability recognised in statement of financial position	38,422,804	4,514,954	7,575,216	18,734,668	46,133,218	321,756,684	437,137,544

The net provision for IBNR on the basis of the actuarial valuation carried out as at December 31, 2024 amounted to Rs. 40.930 million (December 31, 2023: Rs. 40.966 million).

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

26. NET COMMISSION EXPENSE AND ACQUISITION COST

	December 31, 2024	December 31, 2023
Note	----- (Rupees) -----	
Commission paid or payable	106,540,248	74,621,261
Add : Deferred commission expense opening	32,747,815	31,438,864
Less: Deferred commission expense closing	44,220,466	32,747,815
Net commission	95,067,597	73,312,310
Less: Commission received or recoverable	193,056,172	156,879,721
Add: Unearned Reinsurance commission opening	53,028,033	56,532,968
Less: Unearned Reinsurance commission closing	68,651,541	53,028,033
Commission from reinsurers	177,432,664	160,384,656
	<u>(82,365,067)</u>	<u>(87,072,346)</u>

27. MANAGEMENT EXPENSES

Employee benefit cost	27.1	322,137,661	288,437,024
Communications		17,454,357	16,609,436
Printing and stationery		5,455,661	9,058,236
Travelling and entertainment		12,518,569	10,878,936
Office rent		4,667,448	-
Repairs and maintenance		10,082,088	6,969,536
Advertisement and sales promotion		4,053,659	2,805,254
Rental for tracking devices		21,466,552	16,139,556
Depreciation		32,000,369	32,030,025
Amortisation		87,420	87,420
Legal and professional charges		2,720,937	1,954,529
Electricity, gas and water		14,264,885	11,665,866
Insurance		3,651,685	4,766,055
Bank charges		1,286,416	1,324,232
Annual supervision fee SECP		2,955,598	2,562,087
Vehicle running expense		7,838,675	5,496,446
Provision / (reversal) against premium due but unpaid - net		1,079,181	(1,176,895)
Service charges		351,346	876,741
Other expenses		6,066,101	3,311,190
		<u>470,138,608</u>	<u>413,795,674</u>

27.1 Employee benefit cost

Salaries, wages and benefits		307,694,524	272,060,432
Post employment benefits	27.1.1	14,443,137	16,376,592
		<u>322,137,661</u>	<u>288,437,024</u>

27.1.1 These include Rs. 10.547 million (2023: Rs. 9.699 million) being contribution for employees' provident fund and Rs. 3.896 million (2023: Rs. 6.677 million) in respect of defined benefit plan.

28. INVESTMENT INCOME

Income from equity securities

Available-for-sale

- Dividend income

2,670,166

22,198,788

Fair value through profit or loss

- Dividend income

15,136,622

10,017,927

Income from debt securities

Held to maturity

- Return on government securities

6,374,207

5,978,869

Available-for-sale

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

155,701,049

61,775,275

68,828,721

78,112,263

224,529,770

139,887,538

Fair value through profit or loss

- Return on government securities

168,141,949

134,560,000

416,852,714

312,643,122

Net realised gains / (loss) on investments

Available for sale

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

60,941,929

98,764,778

(1,444,080)

(2,107,156)

59,497,849

96,657,622

Fair value through profit or loss

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

14,873,298

3,748,636

292,839

5,171,840

15,166,137

8,920,476

Net unrealised gain on investments at fair value through profit and loss

- Equity securities
- Debt securities

89,649,222

31,975,073

2,289,144

4,194,995

91,938,366

36,170,068

Total investment income

583,455,066

454,391,288

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

62,256

46,692

Less: Investment related expenses

(11,139,978)

(4,497,600)

Investment income

572,377,344

449,940,380

29. OTHER INCOME

Return on bank balances

77,280,601

75,741,378

Gain on sale of fixed assets

3,398,857

-

Gain on termination of lease

-

856,809

Others

203,509

343,386

80,882,967

76,941,573

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
		----- (Rupees) -----	
30. OTHER EXPENSES			
Rate and taxes		1,514,063	734,877
Fees and subscription		6,312,537	5,882,267
Legal and professional charges		1,206,652	3,343,384
Auditor's remuneration	30.1	2,201,893	1,918,042
Donation	30.2	150,000	150,000
Security charges		2,461,239	2,204,943
Loss on sale of fixed assets		-	574,931
Other expenses		121,132	224,159
		<u>13,967,516</u>	<u>15,032,603</u>

30.1 Auditor's remuneration

Statutory audit fee	600,875	546,250
Half year review	366,850	333,250
Review of code of corporate governance	164,450	149,500
Special reports and other certifications	536,360	487,600
	<u>1,668,535</u>	<u>1,516,600</u>
Sindh sales tax	150,676	117,392
Out of pocket expenses	382,682	284,050
	<u>2,201,893</u>	<u>1,918,042</u>

30.2 These include donations made by the Company to The Citizens Foundation. None of the directors, sponsor shareholders, key management personnel and their spouses had any interest in the donee.

	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
31. TAXATION - NET		
For current year		
Current	246,038,479	226,648,085
Deferred	24,868,132	14,171,324
Super tax	84,840,855	78,139,512
	<u>355,747,466</u>	<u>318,958,921</u>
For prior year(s)		
Super tax	-	14,247,474
Prior years tax	1,487,629	-
	<u>1,487,629</u>	<u>14,247,474</u>
	<u>357,235,095</u>	<u>333,206,395</u>

31.1 The Company has filed returns upto tax year 2024. The returns filed for the income year ended December 31, 2023 has been finalized.

	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
31.2 Relationship between tax expense and accounting profit		
Profit for the year before taxation	941,907,402	830,075,060
Tax at the applicable rate of 29% (December 31, 2023: 29%)	273,153,147	240,721,767
Super tax 10%	94,190,740	83,007,506
Prior years	1,487,629	14,247,474
Others	(11,596,421)	(4,770,352)
	357,235,095	333,206,395

32. EARNINGS PER SHARE - BASIC AND DILUTED

	----- (Rupees) -----	
Profit after tax for the year	584,672,307	496,868,665
	----- (Numbers) -----	
Weighted average number of ordinary shares	55,326,484	55,326,484
	----- (Rupees) -----	
Earnings per share - basic and diluted	10.57	8.98

32.1 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.

33. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Chief Executive		Executives	
	2024	2023	2024	2023
	----- (Rupees) -----			
Managerial remuneration	17,797,236	16,468,832	62,413,119	49,250,806
Bonus	4,223,471	3,944,264	14,195,850	12,167,423
Retirement benefits	1,780,296	1,647,460	4,568,689	3,822,639
House rent	8,008,752	7,410,984	28,112,233	22,164,244
Vehicle fuel, repair and maintenance	755,926	818,384	16,239,307	13,380,597
Others	1,924,020	1,656,184	13,719,849	8,159,640
	34,489,701	31,946,108	139,249,047	108,945,349
Number of persons	1	1	32	22

33.1 Aggregate amount charged in these financial statements in respect of Director's fee for attending Board, Audit Committee and Ethic, Human Resource and Remuneration Committee meetings amounted to Rs. 480,000 (December 31, 2023: Rs. 520,000), Rs. 300,000 (December 31, 2023: Rs. 250,000) and Rs. 120,000 (December 31, 2023: Rs. 40,000) respectively.

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

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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

34. 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	Dividend paid	Expenses	Retirement Fund
(Rupees)											
Associated companies / undertaking											
Accuracy Surgical Limited	Common Director	857,993	1,764,093	2,076,995	-	-	-	-	-	-	-
Anchor Commodities (Private) Limited	Common Director	588,800	2,757,960	889,863	-	-	-	-	-	-	-
Caraway (Private) Limited	Common Director	75,945	263,030	-	-	-	-	-	-	-	-
Century Paper & Board Mills Limited	Common Director	73,919,161	202,968,702	49,484,697	-	-	-	-	-	2,271,481	-
Colgate Palmolive (Pakistan) Limited	Common Director	334,477,968	544,073,920	101,952,100	-	-	5,089,530	-	-	1,185,403	-
Concave Ventures (Private) Limited	Common Director	-	658	-	-	-	-	-	-	-	-
Concave Digital Solutions (Private) Limited	Common Director	-	(18,267)	25,590	-	-	-	-	-	-	-
Concave Agri Services (Private) Limited	Common Director	214,000	214,406	72,492	-	-	-	-	-	-	-
Concave Technology Solutions (Private) Limited	Common Director	-	(14,159)	46,400	-	-	-	-	-	-	-
Cyber Internet Services (Private) Limited	Common Director	52,456,447	122,966,444	134,211,238	-	-	-	-	-	2,848,793	-
Fly Jinnah Services (Pvt) Ltd.	Common Director	-	61,586,874	-	-	-	-	-	-	-	-
GAM Corporation (Private) Limited	Common Director	-	-	1,988,888	-	-	-	-	-	-	-
Hasanali and Gulbanoo Lakhani Foundation	Trustee	1,513,691	1,931,736	1,355,441	-	-	-	-	-	1,086,978	-
IOE Animations (Private) Limited	Common Director	2,156,026	3,624,898	2,835,811	-	-	-	-	-	-	-
Lakson Business Solution Limited	Common Director	2,046,544	2,606,050	3,345,176	-	-	-	-	-	4,443,812	-
Lakson Investments Limited	Common Director	582,967	5,257,262	3,489,142	-	-	-	-	-	11,723,793	-
Lakson Money Market Fund	Common Director	-	-	-	1,636,842,255	1,498,402,254	-	-	-	-	-
Lakson Medical Trust	Trustee	-	69,933	14,300	-	-	-	-	-	-	-
Merit Packaging Limited	Common Director	863,353	22,521,098	3,280,054	-	-	-	-	-	-	-
Naya Pay (Pvt) Ltd.	Common Director	3,543,723	8,676,381	6,764,002	-	-	-	-	-	-	-
Orthopedic And Medical Institute (Pvt) Ltd.	Common Director	-	4,900,768	133,676	-	-	-	-	-	-	-
Premier Fashions (Private) Limited	Common Director and 28.96% shares held	-	24,579	-	-	-	-	-	72,096,120	-	-
Princeton Travels (Private) Limited	Common Director	427,462	356,719	207,028	-	-	-	-	-	619,164	-
Siza (Private) Limited	Common Director and 14.23% shares held	189,472	1,240,949	200,943	-	-	-	-	35,428,937	3,834,726	-
Siza Commodities (Private) Limited	Common Director and 9.93% shares held	87,997	331,010	160,882	-	-	-	-	24,715,859	-	-
Siza Foods (Private) Limited	Common Director	81,864,930	81,506,885	34,235,347	-	-	-	-	-	-	-
Siza Services (Private) Limited	Common Director and 23.56% shares held	1,416,378	7,345,804	8,352,683	-	-	-	-	58,668,098	9,941,294	-
Sybrid (Private) Limited	Common Director	12,802,451	27,697,491	28,156,584	-	-	-	-	-	314,827	-
Others											
Express Publication (Private) Limited	Common Management	37,129,408	37,173,138	29,897,329	-	-	-	-	-	1,191,370	-
Express Digital (Private) Limited	Common Management	1,590,938	2,754,149	2,439,379	-	-	-	-	-	-	-
Matrix Press (Private) Limited	Common Management	-	132,737	-	-	-	-	-	-	-	-
Misha Fashion (Private) Limited	Common Management	640,105	1,802,263	-	-	-	-	-	-	-	-
Printek (Private) Limited	Common Management	-	385,200	-	-	-	-	-	-	-	-
Reliance Chemicals (Pvt) Limited	Common Management	98,987	128,171	-	-	-	-	-	-	-	-
Television Media Network (Private) Limited	Common Management	42,510,233	41,246,114	33,226,248	-	-	-	-	-	-	-
Century Insurance Window Takaful Operations	Common Management	-	-	-	-	-	-	-	-	-	32,124,393
Director, Chief Executive, their spouses and relatives											
		-	2,979,630	2,625,077	-	-	-	-	1,328,811	-	-
Key management personnel											
		-	180,662	162,258	-	-	-	-	111,623	-	-
Retirement benefit plans											
Contribution to staff provident fund		-	-	-	-	-	-	-	-	-	11,220,733
Contribution to staff gratuity fund		-	-	-	-	-	-	-	-	-	4,144,306
December 31, 2024		652,054,979	1,191,437,268	451,629,623	1,636,842,255	1,498,402,254	5,089,530	-	192,349,448	39,461,641	47,489,432
December 31, 2023		390,786,520	1,084,816,748	314,672,763	1,905,601,507	1,921,556,929	2,848,049	822,958	106,158,434	59,091,019	17,421,906

35. 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, 2024					
	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)	713,972,872	611,326,992	599,100,093	672,690,040	121,571,143	2,718,661,140
Less: - Federal Excise Duty / Sales Tax	94,751,346	66,434,896	78,417,684	35,217,406	15,465,406	290,286,738
- Federal Insurance Fee	6,222,913	5,004,094	5,143,243	6,873,678	1,049,694	24,293,622
- Others	168,350	40,397,743	2,746,300	33,200	110,100	43,455,693
Facultative inward premium	14,990	188,065	1,194,807	-	157,892	1,555,754
Gross written premium (inclusive of Administrative surcharge)	612,845,253	499,678,324	513,987,673	630,565,756	105,103,835	2,362,180,841
- Gross direct premium	611,110,369	490,968,782	501,093,726	630,250,696	104,194,753	2,337,618,326
- Facultative inward premium	14,990	188,065	1,194,807	-	157,892	1,555,754
- Administrative surcharge	1,719,894	8,521,477	11,699,140	315,060	751,190	23,006,761
	612,845,253	499,678,324	513,987,673	630,565,756	105,103,835	2,362,180,841
Insurance premium earned	527,476,971	497,284,810	461,957,051	561,704,348	98,016,604	2,146,439,784
Insurance premium ceded to reinsurers	(461,248,837)	(247,962,643)	(22,519,887)	(1,593,531)	(53,572,212)	(786,897,110)
Net Insurance premium	66,228,134	249,322,167	439,437,164	560,110,817	44,444,392	1,359,542,674
Commission income	86,336,439	75,469,213	748,698	462,109	14,416,205	177,432,664
Net underwriting income	152,564,573	324,791,380	440,185,862	560,572,926	58,860,597	1,536,975,338
Insurance claims	(265,257,408)	(119,968,051)	(232,376,273)	(494,215,150)	(18,520,648)	(1,130,337,530)
Insurance claims recovered from reinsurers	253,958,637	69,683,108	32,846,233	-	13,210,436	369,698,414
Net claims	(11,298,771)	(50,284,943)	(199,530,040)	(494,215,150)	(5,310,212)	(760,639,116)
Commission expense	(24,346,969)	(31,432,763)	(27,289,386)	(7,579,830)	(4,418,649)	(95,067,597)
Management expense	(121,972,970)	(99,449,656)	(102,297,608)	(125,499,836)	(20,918,538)	(470,138,608)
Net insurance claims and expenses	(157,618,710)	(181,167,362)	(329,117,034)	(627,294,816)	(30,647,399)	(1,325,845,321)
Underwriting results	(5,054,137)	143,624,018	111,068,828	(66,721,890)	28,213,198	211,130,017
Investment income						572,377,344
Other income						80,882,967
Other expense						(13,967,516)
Finance costs - lease liabilities						(7,196,979)
Share of profit of associates						8,572,093
Profit from Window Takaful Operations						90,109,476
Profit before tax for the year						941,907,402
Segment assets	705,525,371	249,490,470	240,240,634	276,025,078	114,324,974	1,585,606,527
Unallocated corporate assets						3,958,732,852
Unallocated assets of Window Takaful Operation - Operator's Fund						303,980,652
Total assets						5,848,320,031
Segment liabilities	698,095,169	216,600,016	487,626,182	579,541,502	122,524,011	2,104,386,880
Unallocated corporate liabilities						377,526,006
Unallocated liabilities of Window Takaful Operation - Operator's Fund						103,682,382
Total liabilities						2,585,595,268

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

	December 31, 2023					
	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)	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
Net underwriting income	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)
Net insurance claims and expenses	(118,773,325)	(143,363,444)	(277,945,620)	(539,045,395)	(26,497,821)	(1,105,625,605)
Underwriting results	10,470,819	151,347,499	110,820,880	(40,341,300)	19,614,642	251,912,540
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
Profit before tax for the year						830,075,060
Segment assets	593,767,001	219,486,239	188,480,566	224,842,393	101,455,103	1,328,031,302
Unallocated corporate assets						3,520,615,727
Unallocated assets of Window Takaful Operation - Operator's Fund						223,551,545
Total assets						5,072,198,574
Segment liabilities	607,261,568	211,306,359	415,680,586	512,783,199	121,246,609	1,868,278,317
Unallocated corporate liabilities						300,674,814
Unallocated liabilities of Window Takaful Operation - Operator's Fund						80,177,541
Total liabilities						2,249,130,672

	Held to maturity	Available for sale	Fair value through profit and loss	Total
36. MOVEMENT IN INVESTMENTS	----- (Rupees) -----			
At beginning of previous year	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
At beginning of current year	29,827,578	1,655,833,281	1,107,334,516	2,792,995,375
Additions	-	3,474,582,493	478,663,170	3,953,245,663
Disposals (sales and redemptions)	-	(3,203,781,755)	(631,847,726)	(3,835,629,481)
Fair value net gain (excluding net realised gains / losses)	-	190,387,413	107,104,497	297,491,910
Amortisation of discount	39,198	105,751,664	8,406,625	114,197,487
	29,866,776	2,222,773,096	1,069,661,082	3,322,300,954

37. MANAGEMENT OF INSURANCE RISK AND FINANCIAL RISK

37.1 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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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.

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:

Class	2024	2023
	----- % -----	
Fire and property damage	20	21
Marine, aviation and transport	15	12
Motor	45	45
Accident and health	86	85
Miscellaneous	18	25

(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.

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

	Underwriting results		Shareholders' equity	
	2024	2023	2024	2023
	----- (Rupees) -----			
Impact of change in claim liabilities by +10%				
Fire and property damage	(1,129,877)	(194,406)	(757,018)	(118,588)
Marine, aviation and transport	(5,028,494)	(2,316,902)	(3,067,382)	(1,413,310)
Motor	(19,953,004)	(16,884,756)	(12,171,332)	(10,299,701)
Accident and health	(49,421,515)	(42,012,332)	(30,147,124)	(25,627,523)
Miscellaneous	(531,021)	(443,366)	(323,923)	(270,453)
	(76,063,912)	(61,851,762)	(46,466,779)	(37,729,575)
Impact of change in claim liabilities by -10%				
Fire and property damage	1,129,877	194,406	757,018	118,588
Marine, aviation and transport	5,028,494	2,316,902	3,067,382	1,413,310
Motor	19,953,004	16,884,756	12,171,332	10,299,701
Accident and health	49,421,515	42,012,332	30,147,124	25,627,523
Miscellaneous	531,021	443,366	323,923	270,453
	76,063,912	61,851,762	46,466,779	37,729,575

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:

	Change in assumption	Impact on gross liabilities	Impact on net liabilities	Impact on profit before tax	Impact on equity
	----- (Rupees) -----				
Average claim costs					
2024	+ 10%	113,033,753	76,063,912	76,063,912	50,962,821
2023	+ 10%	81,554,664	56,153,498	56,153,498	37,622,844

(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.

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	
	2024	2023
	----- (Rupees in 000) -----	
Fire and property damage	12,779,911	14,058,227
Marine, aviation and transport	496,286,000	500,451,257
Motor	42,000	42,000
Accident and health	1,000	1,000
Miscellaneous	5,914,997	6,127,554

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	2024	2023
	----- (Rupees) -----		
A or above including Pakistan Reinsurance Company Limited	116,745,591	116,745,591	85,986,894
BBB	30,000	30,000	30,000
	<u>116,775,591</u>	<u>116,775,591</u>	<u>86,016,894</u>

37.2 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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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.

37.2.1 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.

37.2.1.1 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	2024				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		-	-	-	-	77,630,779	77,630,779
Investments							
Equity securities / Mutual funds		-	-	-	-	1,210,857,038	1,210,857,038
Debt securities	9.50 - 20.23	360,121,629	1,580,042,537	171,279,750	2,111,443,916	-	2,111,443,916
Loans and other receivables		-	-	-	-	96,945,639	96,945,639
Insurance / reinsurance receivables		-	-	-	-	1,006,520,483	1,006,520,483
Reinsurance recoveries against outstanding claims		-	-	-	-	187,320,804	187,320,804
Cash and bank	6.00 - 12.50	249,791,098	-	-	249,791,098	15,741,146	265,532,244
Total assets of Window Takaful Operations - Operator's Fund		12,075,345	-	-	12,075,345	279,330,234	291,405,579
		621,988,072	1,580,042,537	171,279,750	2,373,310,359	2,874,346,123	5,247,656,482
Financial liabilities							
Outstanding claims including IBNR		-	-	-	-	437,137,544	437,137,544
Insurance / reinsurance payables		-	-	-	-	561,065,557	561,065,557
Other creditors and accruals		-	-	-	-	152,080,944	152,080,944
Total liabilities of Window Takaful Operations - Operator's Fund		-	-	-	-	23,193,713	23,193,713
		-	-	-	-	1,173,477,758	1,173,477,758
Interest risk sensitivity gap		621,988,072	1,580,042,537	171,279,750	2,373,310,359	1,700,868,365	4,074,178,724
Cumulative interest risk sensitivity gap		621,988,072	2,202,030,609	2,373,310,359			

	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			
Financial assets							
Investments in associates		-	-	-	-	73,966,924	73,966,924
Investments							
Equity securities		-	-	-	-	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	21,345,169	431,554,636
Total assets of Window Takaful Operations - Operator's Fund		14,721,012	-	-	14,721,012	150,457,175	165,178,187
		1,043,048,754	979,544,576	253,728,198	2,276,321,528	2,290,113,280	4,566,434,808
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		-	-	-	-	120,136,985	120,136,985
Total liabilities of Window Takaful Operations - Operator's Fund		-	-	-	-	20,222,254	20,222,254
		-	-	-	-	1,131,558,851	1,131,558,851
Interest risk sensitivity gap		1,043,048,754	979,544,576	253,728,198	2,276,321,528	1,158,554,429	3,434,875,957
Cumulative interest risk sensitivity gap		1,043,048,754	2,022,593,330	2,276,321,528			

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	Effect on equity
		----- (Rupees) -----	-----
December 31, 2024	100	23,107,316	14,095,463
	(100)	(23,107,316)	(14,095,463)
December 31, 2023	100	18,792,053	11,463,153
	(100)	(18,792,053)	(11,463,153)

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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

fluctuation in unit prices through a related party as disclosed in note 34. 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, 2024 and as at December 31, 2023. 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) ---
December 31, 2024	1,210,857,038	+10%	121,085,704
	(1,210,857,038)	-10%	(121,085,704)
December 31, 2023	941,604,326	+10%	94,160,433
	(941,604,326)	-10%	(94,160,433)

37.2.1.2 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.

37.2.2 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.

	2024			Total
	Within one year	Over one year to five years	Over five years	
	(Rupees)			
Financial liabilities				
Outstanding claims including IBNR	437,137,544	-	-	437,137,544
Insurance / reinsurance payables	561,065,557	-	-	561,065,557
Other creditors and accruals	152,080,944	-	-	152,080,944
Total liabilities of Window Takaful Operations - Operator's Fund	23,193,713	-	-	23,193,713
	1,173,477,758	-	-	1,173,477,758
	2023			Total
	Within one year	Over one year to five years	Over five years	
	(Rupees)			
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

37.2.3 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.

37.2.3.1 Concentration of credit risk and credit exposure of the financial instrument

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:

	December 31, 2024	December 31, 2023
	(Rupees)	
Cash and bank	259,891,568	433,075,335
Investments	1,138,456,896	1,171,003,058
Insurance / reinsurance receivable	1,006,520,483	822,041,695
Reinsurance recoveries against outstanding claims	187,320,804	193,897,623
Loans and receivables	96,945,639	86,800,368
Total assets of Window Takaful Operations - Operator's Fund	291,405,579	215,718,382
	2,980,540,969	2,922,536,461

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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

Bank	Long term rating	Rating agency	December 31, 2024	December 31, 2023
			----- (Rupees) -----	-----
Standard Chartered Bank (Pakistan) Limited	AAA	PACRA	8,444,665	7,267,231
Habib Bank Limited	AAA	VIS	5,243,090	17,126,690
United Bank Limited	AAA	VIS	17,489,381	22,222,910
Askari Bank Limited	AA+	PACRA	434,768	150,817
Bank Alfalah Limited	AAA	PACRA	2,525,112	24,307,826
Habib Metropolitan Bank Limited	AA+	PACRA	143,778,404	157,140,322
Soneri Bank Limited	AA-	PACRA	62,376,016	199,010,385
Telenor Microfinance Bank	A	PACRA	127,761	116,599
NRSP Microfinance Bank Limited	A-	PACRA	42,952	39,087
U Microfinance Bank Limited	A+	VIS	21,984	18,013
Silk Bank Limited	A-	VIS	18,035,098	5,675,455
Samba Bank Limited	AA	PACRA	1,372,338	-
			259,891,569	433,075,335

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

Sukuk / Term Finance Certificate	Long term rating	Rating agency	December 31, 2024	December 31, 2023
			----- (Rupees) -----	-----
Dubai Islamic Bank Pakistan Limited	A+	VIS	25,000,000	25,000,000
Soneri Bank Limited	A	PACRA	20,000,000	20,000,000
JS Bank Limited	A+	PACRA	52,957,600	52,957,600
NSRP Microfinance Bank Limited	A-	VIS	15,000,000	15,000,000
Samba Bank Limited	AA-	PACRA	149,790,000	149,630,586
Bank Al Habib Limited	AAA	PACRA	-	106,204,665
			262,747,600	368,792,851

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 37.1 (g).

38. 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.

39. STATEMENT OF SOLVENCY

Assets

	December 31, 2024	December 31, 2023
	----- (Rupees) -----	
Property and equipment	165,902,592	100,890,307
Intangible assets	54,250	747,250
Investment in associates	77,630,779	73,966,924
Investments		
Equity securities	1,391,759,214	1,045,991,234
Debt securities	2,111,443,916	1,851,391,049
Loan and other receivable	111,511,093	101,121,992
Insurance / reinsurance receivable	1,157,558,975	889,024,115
Reinsurance recoveries against outstanding claims	209,519,118	210,935,944
Salvage recoveries accrued	5,675,536	2,785,000
Deferred commission expense	94,051,058	69,947,488
Deferred taxation	-	1,941,781
Retirement benefit obligations	18,755,863	14,059,440
Prepayments	411,679,298	319,873,090
Cash and bank	325,861,767	498,359,065
Total assets of Window Takaful Operations - Operator's fund	303,980,652	223,551,545
Total assets (A)	6,385,384,111	5,404,586,224

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

Property and equipment	165,902,592	100,890,307
Intangible assets	54,250	747,250
Investments	820,763,146	561,196,804
Loan and other receivable	15,407,867	12,820,607
Insurance / reinsurance receivable	808,386,324	448,393,247
Security deposits against bond insurance	18,755,863	16,848,806
Deferred taxation	-	1,941,781
Retirement benefit obligations	18,755,863	14,059,440
Total assets of Window Takaful Operations - Operator's fund	49,263,933	29,822,667
Total of In-admissible assets	1,897,289,838	1,186,720,909

Liabilities

Underwriting Provisions		
Outstanding claims including IBNR	508,431,092	455,736,465
Unearned premium reserve	1,172,093,240	917,250,172
Unearned reinsurance commission	82,538,006	60,722,709
Premiums received in advance	8,168,098	9,324,899
Insurance / reinsurance payables	700,354,410	638,610,478
Other creditors and accruals	298,476,400	166,347,381
Taxation - provision less payments	89,764,370	136,226,166
Total liabilities of Window Takaful Operations - Operator's fund	103,682,382	80,177,541
Total liabilities	2,963,507,998	2,464,395,811

Total Net Admissible Assets

1,524,586,275 1,753,469,504

Minimum solvency requirement (higher of following)

305,131,343 265,813,616

- Method A - U/s 36(3)(a)	150,000,000
- Method B - U/s 36(3)(b)	305,131,343
- Method C - U/s 36(3)(c)	210,809,203

Excess in Net Admissible Assets over minimum requirement

1,268,718,865 1,487,655,888

- 39.1** 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.
- 39.2** 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.
- 39.3** 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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

40. 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, 2024						Fair Value				
	Carrying Amount										
	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	335,126,542	875,655,213	-	-	-	-	1,210,781,755	335,126,542	485,118,813	390,536,400	1,210,781,755
- Debt securities	734,534,540	1,347,042,600	-	-	-	-	2,081,577,140	-	2,081,577,140	-	2,081,577,140
Assets of Window Takaful Operations - Operator's fund	-	212,285,577	-	-	-	-	212,285,577	-	212,285,577	-	212,285,577
Financial assets not measured at fair value											
Cash and bank*	-	-	-	265,532,244	-	-	265,532,244	-	-	-	-
Investments											
- In associates	-	-	-	-	77,630,779	-	77,630,779	190,921,879	-	-	190,921,879
- Debt securities	-	-	29,866,776	-	-	-	29,866,776	-	29,386,500	-	29,386,500
- Unquoted equity shares*	-	75,283	-	-	-	-	75,283	-	-	75,283	75,283
Insurance / reinsurance receivable*	-	-	-	1,006,520,483	-	-	1,006,520,483	-	-	-	-
Loan and other receivable*	-	-	-	96,945,639	-	-	96,945,639	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	187,320,804	-	-	187,320,804	-	-	-	-
Assets of Window Takaful Operations - Operator's fund*	-	-	-	79,120,002	-	-	79,120,002	-	-	-	-
Financial liabilities not measured at fair value											
Outstanding claims including IBNR*	-	-	-	-	-	(437,137,544)	(437,137,544)	-	-	-	-
Insurance / reinsurance payables*	-	-	-	-	-	(561,065,557)	(561,065,557)	-	-	-	-
Other creditors and accruals*	-	-	-	-	-	(152,080,944)	(152,080,944)	-	-	-	-
Total liabilities of Window Takaful Operations - Operator's fund*	-	-	-	-	-	(23,193,713)	(23,193,713)	-	-	-	-
	1,069,661,082	2,435,058,673	29,866,776	1,635,439,172	77,630,779	(1,173,477,758)	4,074,178,724	526,048,421	2,808,368,030	390,611,683	3,725,028,134
	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)										
Financial assets measured at fair value											
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
Financial assets not measured at fair value											
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 receivables	-	-	-	86,800,368	-	-	86,800,368	-	-	-	-
Reinsurance recoveries against outstanding claims*	-	-	-	193,897,623	-	-	193,897,623	-	-	-	-
Total assets of Window Takaful Operations	-	-	-	64,661,203	-	-	64,661,203	-	-	-	-
Financial liabilities not measured at fair value											
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)	-	-	-	-
	1,107,334,516	1,806,890,460	29,827,578	1,603,748,646	73,966,924	(1,131,329,601)	3,490,438,523	336,655,109	2,484,241,128	319,976,229	3,140,872,466

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

- 40.1** 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.

41. CORRESPONDING FIGURES

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

42. SUBSEQUENT EVENT - NON ADJUSTING

The Board of Directors in its meeting held on february 14, 2025 has recommended cash dividend of 60.00% i.e. Rs. 6.00 per share in respect of the year ended December 31, 2024 (December 31, 2023: 45% (Rs. 4.50 per share). These financial statements for the year ended December 31, 2024 do not include the effect of this appropriation which will be accounted for when approved.

43. NUMBER OF EMPLOYEES

As at December 31

Average number of employees during the year

December 31, 2024	December 31, 2023
----- (Number) -----	
153	143
150	147

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on February 14, 2025.

45. 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


Nawaid Jamal
Chief Financial Officer





Window Takaful
Operations
Financial Statements

Independent Auditor's Report

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

We have audited the annexed financial statement of **CENTURY INSURANCE COMPANY LIMITED (WINDOW TAKAFUL OPERATION)** ("the Operator") as at December 31, 2024, which comprise the statement of financial position as at December 31, 2024, 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, 2024 and of the profit and 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 and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Operator's business; and;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

KARACHI

DATED: March 24, 2025

UDIN: AR202410166IHeRJx02s

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Statement of Financial Position

As at December 31, 2024

		Operator's Fund		Participants' Takaful Fund	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Note	(Rupees)			
Assets					
Investments					
Equity securities / mutual funds	7	212,285,577	151,057,179	180,902,176	104,386,908
Loans and other receivables	8	416,632	81,917	6,295,322	5,145,619
Takaful / retakaful receivables	9	-	-	151,038,492	66,982,420
Retakaful recoveries against outstanding claims	18	-	-	22,198,314	17,038,321
Deferred commission expense / acquisition cost	21	12,575,073	7,833,163	-	-
Receivable from Participant Takaful Fund	13	66,618,025	49,848,274	-	-
Deferred wakala fee	20	-	-	49,830,592	37,199,673
Prepaid retakaful contribution ceded	17	-	-	66,469,661	39,622,401
Cash and bank	11	12,085,345	14,731,012	60,329,523	62,011,308
Total Assets		303,980,652	223,551,545	537,064,080	332,386,650
Funds and Liabilities					
Funds attributable to:					
Operator's Fund					
Statutory fund		50,000,000	50,000,000	-	-
Reserves		5,311,952	3,354,466	-	-
Accumulated gain		144,986,318	90,019,538	-	-
Total Operator's Fund		200,298,270	143,374,004	-	-
Participants' Takaful Fund					
Ceded money		-	-	500,000	500,000
Accumulated surplus		-	-	97,749,510	66,773,237
Balance of Participants' Takaful Fund		-	-	98,249,510	67,273,237
Liabilities					
PTF underwriting provisions					
Outstanding claims including IBNR	18	-	-	71,293,548	58,028,817
Unearned contribution reserves	17	-	-	139,561,981	100,459,970
Unearned re-takaful rebate	19	-	-	13,886,465	7,694,676
		-	-	224,741,994	166,183,463
Unearned wakala fee	20	49,830,592	37,199,673	-	-
Payable to Operator's Fund	13	-	-	66,618,025	49,848,274
Deferred taxation	14	2,169,670	1,370,134	-	-
Contribution received in advance		-	-	3,167,120	2,064,425
Takaful / Re-takaful payables	12	-	-	139,288,853	45,118,514
Other creditors and accruals	15	23,193,713	20,222,254	4,998,578	1,898,737
Taxation - provision less payment	10	28,488,407	21,385,480	-	-
		103,682,382	80,177,541	214,072,576	98,929,950
Total Liabilities		103,682,382	80,177,541	438,814,570	265,113,413
Total Funds and Liabilities		303,980,652	223,551,545	537,064,080	332,386,650

Contingency and Commitment

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

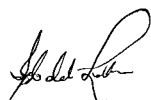
Nawaid Jamal
Chief Financial Officer

Profit and Loss Account

For the year ended December 31, 2024

	Note	December 31, 2024	December 31, 2023
		----- (Rupees)-----	
Participants' Takaful Fund - (PTF) Revenue account			
Contribution earned	17	216,385,582	147,217,713
Less: Contribution ceded to retakaful		(172,967,492)	(101,650,164)
Net contribution revenue		43,418,090	45,567,549
Retakaful rebate earned	19	37,372,723	20,781,771
Net underwriting income		80,790,813	66,349,320
Net claims - reported / settled	18	(77,265,030)	(53,246,895)
Direct expenses	23	(2,409,740)	(1,674,449)
Surplus before investment income		1,116,043	11,427,976
Investment income	24	19,432,104	15,113,894
Other income	25	9,878,570	11,878,734
Less: Mudarib's share of investment income	26	(5,862,135)	(5,398,526)
Surplus for the year		24,564,582	33,022,078
Operator's Fund - (OPF) Revenue account			
Wakala fee	20	115,842,498	86,347,040
Commission expense	21	(31,152,770)	(22,239,691)
General, administration and management expenses	22	(34,877,562)	(31,458,700)
		49,812,166	32,648,649
Mudarib's share of PTF investment income	26	5,862,135	5,398,526
Investment income	24	32,400,906	22,099,869
Other income	25	3,045,899	1,251,256
Other expenses	27	(1,011,630)	(881,314)
Profit before tax		90,109,476	60,516,986
Income tax expense	28	(35,142,696)	(25,003,349)
Profit after tax		54,966,780	35,513,637

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



Nawaid Jamal
Chief Financial Officer

Statement of Comprehensive Income

For the year ended December 31, 2024

December 31, 2024 December 31, 2023
----- (Rupees)-----

Participants' Takaful Fund - (PTF) Revenue account

Surplus for the year 24,564,582 33,022,078

Other Comprehensive Income

Items that will be reclassified to profit and loss account

- Unrealized gain on available for sale investments	9,357,305	2,945,614
- Reclassification adjustment for net gain on available for sale investments included in profit and loss account	(2,945,614)	(232,321)

Other comprehensive income for the year

6,411,691 2,713,293

Total comprehensive income for the year

30,976,273 35,735,371

Operator's Fund - (OPF) Revenue account

Profit after tax 54,966,780 35,513,637

Other comprehensive income

Items that will be reclassified to profit and loss account

- Unrealized gain on available for sale investments - net of tax	5,311,952	3,354,466
- Reclassification adjustment for net gain on available for sale investments included in profit and loss account - net of tax	(3,354,466)	(965,680)

Other comprehensive income for the year

1,957,486 2,388,786

Total comprehensive income for the year

56,924,266 37,902,423

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

Nawaid Jamal
Chief Financial Officer

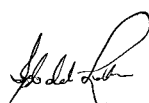
Statement of Changes in Fund

For the year ended December 31, 2024

	Operator's Fund			Total
	Statutory fund	Revenue reserve Available for sale Investment revaluation reserve	Unappropriated Profit	
	----- (Rupees) -----			
Balance as at January 01, 2023	50,000,000	965,680	54,505,901	105,471,581
Total comprehensive income				
Profit after tax for the year	-	-	35,513,637	35,513,637
Other comprehensive income				
Unrealised gain on available for sale investments - net of tax	-	3,354,466	-	3,354,466
Realised gain on available for sale investments - net of tax	-	(965,680)	-	(965,680)
	-	2,388,786	35,513,637	37,902,423
Balance as at December 31, 2023	50,000,000	3,354,466	90,019,538	143,374,004
Total comprehensive income				
Profit after tax for the year	-	-	54,966,780	54,966,780
Other comprehensive income				
Unrealised gain on available for sale investments - net of tax	-	5,311,952	-	5,311,952
Realised gain on available for sale investments - net of tax	-	(3,354,466)	-	(3,354,466)
	-	1,957,486	54,966,780	56,924,266
Balance as at December 31, 2024	50,000,000	5,311,952	144,986,318	200,298,270

	Participants' Takaful Fund			Total
	Ceded money	Accumulated surplus		
	----- (Rupees) -----			
Balance as at January 01, 2023	500,000	31,037,866		31,537,866
Surplus for the year ended	-	33,022,078		33,022,078
Other comprehensive income				
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
Balance as at December 31, 2023	500,000	66,773,237		67,273,237
Surplus for the year ended	-	24,564,582		24,564,582
Other comprehensive income				
Unrealised gain on available for sale investments	-	9,357,305		9,357,305
Realised gain on available for sale investments	-	(2,945,614)		(2,945,614)
	-	30,976,273		30,976,273
Balance as at December 31, 2024	500,000	97,749,510		98,249,510

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



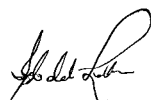
Nawaid Jamal
Chief Financial Officer

Cash Flow Statement

For the year ended December 31, 2024

	Operator's Fund		Participants' Takaful Fund	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Operating Cashflows	Note ----- (Rupees) -----			
(a) Takaful activities				
Contribution received	-	-	329,598,125	236,052,207
Retakaful contributions paid	-	-	(103,933,667)	(91,892,064)
Claims paid	-	-	(127,912,937)	(129,942,398)
Retakaful and other recoveries received	-	-	40,364,469	61,643,887
Commission paid	(33,571,022)	(20,085,017)	-	-
Retakaful rebate received	-	-	19,020,533	18,354,876
Wakala fee received / (paid)	117,565,801	87,825,098	(117,565,801)	(87,825,098)
Direct expenses paid	-	-	(2,409,740)	(1,674,449)
Net cash generated from takaful activities	83,994,779	67,740,081	37,160,982	4,716,961
(b) Other operating activities				
Income tax paid	(28,039,769)	(14,449,079)	(1,749,635)	(2,147,454)
General, administration and management expenses paid	(35,241,391)	(37,933,309)	-	-
Other operating (payments) / receipts - net	-	(101,789)	3,099,837	26,227
Net cash (used in) / generated from takaful activities	(63,281,160)	(52,484,177)	1,350,202	(2,121,227)
Total cash generated from all operating activities	20,713,619	15,255,904	38,511,184	2,595,734
Investment activities				
Profit / return received	13,485,344	1,190,946	15,865,582	10,804,863
Dividend received	9,540,879	13,743,526	9,574,260	13,510,517
Payment for investments	(788,319,053)	(374,474,606)	(159,342,964)	(94,521,630)
Proceeds from investments	741,933,544	352,764,705	93,710,153	83,035,976
Total cash (used in) / generated from investing activities	(23,359,286)	(6,775,429)	(40,192,969)	12,829,726
Net cash (used in) / generated from all activities	(2,645,667)	8,480,475	(1,681,785)	15,425,460
Cash and cash equivalents at beginning of the year	14,731,012	6,250,537	62,011,308	46,585,848
Cash and cash equivalents at end of the year	12,085,345	14,731,012	60,329,523	62,011,308
Reconciliation to profit and loss account				
Operating cash flows	20,713,619	15,255,904	38,511,184	2,595,734
Profit on disposal of investments	12,085,867	8,356,343	4,470,764	1,603,377
Profit / returns received	13,485,344	1,190,946	15,865,582	10,804,863
Dividend income	9,540,879	13,743,526	9,574,260	13,510,517
Increase in assets other than cash	21,846,376	9,662,802	129,843,949	23,865,875
Increase in liabilities other than borrowings	(22,705,305)	(12,695,884)	(173,701,157)	(19,358,288)
Profit after tax / surplus for the year	54,966,780	35,513,637	24,564,582	33,022,078

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



Nawaid Jamal
Chief Financial Officer

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

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 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;
- Islamic Financial Accounting Standard (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as or 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.

Where provisions and directives issued under Companies Act, 2017 differs, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017, the Takaful Rules, 2012 and General Takaful Accounting Regulation 2019 shall prevail.

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 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, 2024

The following standards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements January 01, 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 7 'Statement of Cash Flows' - Supplier finance arrangements January 01, 2024

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

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

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

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

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments January 01, 2026

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability January 01, 2025

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs) January 01, 2026

IFRS 17 Insurance Contracts January 01, 2026

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

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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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

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

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

IFRS 9 - 'Financial instruments' has become applicable, however, as an insurance company, the management has opted temporary exemption from application of IFRS 9 as allowed by 'International Accounting Standard Board' (IASB) for entities whose activities are predominantly connected with insurance.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

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.

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.

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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 five primary business segments for reporting purposes namely fire, marine, motor, accident & health 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 accounted for in the profit and loss account.

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.

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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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, 2024 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.

Levy

During the year, the Institute of Chartered Accountants of Pakistan issued guidance namely "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" through circular No. 7/2024 dated May 15, 2024, and defined the following two approaches for bifurcation of tax between current and minimum taxes. Given that the Company is subject to income tax at the normal corporate tax rate of 29% under the prevailing tax laws of Pakistan and does not fall under the minimum tax or final tax regime, this guidance does not impact its financial statements. The Company recognizes its income tax expense strictly in accordance with IAS 12 – Income Taxes, based on taxable income. Therefore, the requirement to classify any portion of the tax as a levy under IFRIC 21 or IAS 37 is not applicable.

Current tax

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

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

Deferred tax

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

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

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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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:

- a) provision for unearned contribution (note 4.3);
- b) contribution deficiency reserve (note 4.4);
- c) provision for contribution due but unpaid and amount due from other takaful / re-takaful operators; (note 4.6)
- d) segment reporting (note 4.7);
- e) classification of investments (note 4.10);
- f) provision for outstanding claims including IBNR and re-takaful recoveries there against (note 4.13);
- g) taxation (note 4.14);
- h) impairment (note 4.15);
- i) allocation of management expenses (note 4.16); and
- j) provision for unearned wakala fee (note 4.19).

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

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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.

Operator's Fund	December 31, 2024				
	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) -----				
Financial assets					
Investments					
- Equity securities - Available for Sale	212,285,577	7,481,622	-	-	-

Participants' Takaful Fund		December 31, 2024				
		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
Financial assets		----- (Rupees) -----				
Investments						
- Equity securities - Available for Sale		180,902,176	9,357,305	-	-	-

7. INVESTMENTS IN EQUITY SECURITIES - Available for sale

		December 31, 2024		December 31, 2023	
		Cost	Carrying value	Cost	Carrying value
Note		(Rupees)			
Operator's Fund					
Mutual funds	7.1	204,803,955	212,285,577	146,332,579	151,057,179
Participants' Fund					
Mutual funds	7.2	171,544,871	180,902,176	101,441,294	104,386,908

		Number of units		December 31, 2024		December 31, 2023	
		2024	2023	Cost	Carrying value	Cost	Carrying value
		----- (Rupees) -----					
7.1	Mutual Funds - OPF						
	Open - end mutual funds						
	Related parties						
	Lakson Islamic Money Market Fund	453,113	294,952	47,617,110	49,263,933	29,806,296	29,822,667
		453,113	294,952	47,617,110	49,263,933	29,806,296	29,822,667
	Other than related parties						
	ABL Islamic Cash Fund	2,338,128	2,025,083	23,359,933	23,388,291	20,250,829	20,250,828
	ABL Islamic Income Fund	2,231,226	-	25,000,000	25,230,932	-	-
	Al Habib Islamic Income Fund	182,713	-	20,000,000	20,171,970	-	-
	Al Habib Islamic Savings Fund	84,247	267,042	8,424,724	9,185,611	26,704,223	26,732,449
	Faysal Islamic Cash Fund	373,484	268,985	37,339,827	40,586,201	26,898,531	26,898,530
	NBP Islamic Income Fund	1,172	-	12,908	12,911	-	-
	NBP Islamic Money Market Fund	4,031,651	4,234,915	43,049,453	44,445,728	42,672,700	47,352,705
		9,242,621	6,796,025	157,186,845	163,021,644	116,526,283	121,234,512
		9,695,734	7,090,977	204,803,955	212,285,577	146,332,579	151,057,179
		Number of units		December 31, 2024		December 31, 2023	
		2024	2023	Cost	Carrying value	Cost	Carrying value
		----- (Rupees) -----					
7.2	Mutual Funds - PTF						
	Open - end mutual funds						
	Related parties						
	Lakson Islamic Money Market Fund	138,967	-	15,000,000	15,108,937	-	-
		138,967	-	15,000,000	15,108,937	-	-
	Other than related parties						
	ABL Islamic Cash Fund	903,097	782,251	9,023,502	9,033,677	7,822,515	7,822,514
	ABL Islamic Income Fund	1,338,736	-	15,000,000	15,138,559	-	-
	Al Ameen Islamic Cash Fund	192,772	-	19,471,897	21,143,810	-	-
	Al Ameen Islamic Income Fund	45,437	-	5,000,000	5,042,888	-	-
	Al Ameen Islamic Sovereign Fund	-	159,659	-	-	17,620,253	17,909,715
	Al Habib Islamic Income Fund	45,678	-	5,000,000	5,042,993	-	-
	Al Habib Islamic Savings Fund	198,298	85,214	19,829,757	21,620,699	8,521,409	8,530,417
	Faysal Halal Amdani Fund	93,112	78,871	9,402,289	10,242,913	7,963,180	8,839,260
	Faysal Islamic Cash Fund	136,056	78,514	13,602,005	14,785,031	7,851,388	7,851,388
	HBL Islamic Income fund	64,925	54,972	6,677,507	7,283,848	5,649,537	6,315,248
	HBL Islamic Money Market Fund	149,952	137,733	15,171,296	16,428,434	13,935,038	13,935,037
	Meezan Cash Fund	181,807	-	10,000,000	10,070,668	-	-
	Meezan Daily Income Fund (I)	50	-	127	2,491	-	-
	Meezan Islamic Income Fund	7	-	-	418	-	-
	Meezan Rozana Amdani Fund	49	-	119	2,437	-	-
	Meezan Sovereign Fund	-	282,045	-	-	16,103,419	16,396,829
	NBP Islamic Daily Dividend Fund	267	869,792	2,674	2,674	8,697,918	8,697,919
	NBP Islamic Income Fund	873,536	724,881	8,819,404	9,626,021	7,276,637	8,088,581
	NBP Islamic Money Market Fund	1,843,733	-	19,544,294	20,325,678	-	-
		6,067,512	3,253,932	156,544,871	165,793,239	101,441,294	104,386,908
		6,206,479	3,253,932	171,544,871	180,902,176	101,441,294	104,386,908

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

		Operator's Fund		Participants' Takaful Fund	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		----- (Rupees) -----			
8.	LOANS AND OTHER RECEIVABLES - Considered good				
	Accrued investment income	416,632	81,917	900,085	1,500,017
	Advance tax	-	-	5,395,237	3,645,602
		<u>416,632</u>	<u>81,917</u>	<u>6,295,322</u>	<u>5,145,619</u>
9.	TAKAFUL / RE-TAKAFUL RECEIVABLES - PTF - Unsecured and considered good	Note		December 31, 2024	December 31, 2023
				----- (Rupees) -----	
	Due from Takaful contract holders	9.3		54,736,184	27,213,127
	Due from other Takaful / Re-takaful operators	9.1 & 9.2		68,428,074	37,977,581
	Re-takaful recoveries due but unpaid			27,874,234	1,791,712
				<u>151,038,492</u>	<u>66,982,420</u>
9.1	The maximum aggregate amount due from operator at end of any month during the year was Rs. 35.7 million (2023: Rs. 11.8 million).				
9.2	This includes Rs. 35.7 million (2023: Rs. 13.8 million) receivable from operator. The amount is not over due/impaired as at December 31, 2024.				
9.3	The maximum aggregate amount due from related party at end of any month during the year was Rs. 15.8 million (2023: Rs. 18.0 million).				
				December 31, 2024	December 31, 2023
				----- (Rupees) -----	
10.	TAXATION - PROVISION LESS PAYMENTS				
	Provision for taxation			35,142,696	23,601,625
	Less: Taxes paid / deducted at source			(6,654,289)	(2,216,145)
				<u>28,488,407</u>	<u>21,385,480</u>
		Operator's Fund		Participants' Takaful Fund	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		Note ----- (Rupees) -----			
11.	CASH AND BANK				
	Cash and cash equivalent				
	Cash in hand	10,000	10,000	-	-
	Cash at bank				
	Savings accounts	11.1	12,075,345	14,721,012	60,329,523
			<u>12,085,345</u>	<u>14,731,012</u>	<u>60,329,523</u>
11.1	This carries profit rates ranging from 5.02% to 18.50% (2023: 4.75% to 19.25%) per annum.				
				December 31, 2024	December 31, 2023
		Note		----- (Rupees) -----	
12.	TAKAFUL / RE-TAKAFUL PAYABLES - PTF				
	Due to other takaful / re-takaful operators	12.1		139,288,853	45,118,514

This includes Rs. Nil (2023: Rs. Nil) payable to operator. The amount is not over due / impaired as at December 31, 2024.

- 12.1** 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.

	Operator's Fund		Participants' Takaful Fund	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
13. RECEIVABLE / PAYABLE (Between OPF and PTF)	(Rupees)			
Wakala fee	65,704,368	48,273,128	65,704,368	48,273,128
Mudarib fee	913,657	1,575,146	913,657	1,575,146
	66,618,025	49,848,274	66,618,025	49,848,274

	Operator's Fund	
	December 31, 2024	December 31, 2023
14. DEFERRED TAXATION	(Rupees)	
Deferred credit arising in respect of Unrealized gain on available for sale investments	2,169,670	1,370,134

	Operator's Fund		Participants' Takaful Fund	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
15. OTHER CREDITORS AND ACCRUALS	(Rupees)			
Agents' Commission payable	15,172,229	12,848,571	-	-
Federal excise duty / sales tax	-	-	4,018,346	1,268,344
Federal takaful fee	-	-	326,322	160,201
Accrued expenses	7,401,634	6,695,183	-	-
Audit fee payable	619,850	678,500	-	-
Creditors	-	-	652,164	391,618
Tax deducted at source	-	-	1,746	78,574
	23,193,713	20,222,254	4,998,578	1,898,737

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

16. CONTINGENCY AND COMMITMENT

There were no contingency and commitment as at reporting date (December 31, 2023: Nil).

17. NET TAKAFUL CONTRIBUTION - PTF

	December 31 2024	December 31, 2023
	----- (Rupees) -----	
Written Gross contribution	371,330,091	250,227,408
Less: Wakala Fee	(115,842,498)	(86,347,040)
Contribution Net of Wakala Fee	255,487,593	163,880,368
 Add: Unearned contribution reserve opening	100,459,970	83,797,315
Less: Unearned contribution reserve closing	(139,561,981)	(100,459,970)
Contribution earned	216,385,582	147,217,713
 Less:		
Re-takaful Contribution ceded	199,814,752	114,948,675
Add: Prepaid re-takaful contribution ceded opening	39,622,401	26,323,890
Less: Prepaid re-takaful contribution ceded closing	(66,469,661)	(39,622,401)
Re-takaful expense	172,967,492	101,650,164
	<u>43,418,090</u>	<u>45,567,549</u>

18. NET TAKAFUL CLAIMS EXPENSE - PTF

Claim paid	127,912,937	129,942,398
Add: Outstanding claims including IBNR closing	71,293,548	58,028,817
Less: Outstanding claims including IBNR opening	(58,028,817)	(73,651,766)
Claims expense	141,177,668	114,319,449
 Less: Re-takaful and others recoveries received	58,752,645	77,269,830
Add: Re-takaful and others recoveries in respect of outstanding claims closing	22,198,314	17,038,321
Less: Re-takaful and others recoveries in respect of outstanding claims opening	(17,038,321)	(33,235,597)
Re-takaful and other recoveries revenue	63,912,638	61,072,554
	<u>77,265,030</u>	<u>53,246,895</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	2019 & prior	2020	2021	2022	2023	2024	Total
	(Rupees)						
Gross estimate of ultimate claims cost:							
- At end of accident	16,766,440	159,074,256	44,508,028	99,401,691	125,286,914	142,164,036	587,201,365
- One year later	22,120,374	159,875,537	55,650,621	89,134,895	136,691,171	-	463,472,598
- Two year later	21,321,839	159,972,608	64,939,321	88,103,538	-	-	334,337,306
- Three year later	21,190,773	148,622,500	54,346,470	-	-	-	224,159,743
- Four year later	20,898,278	159,054,280	-	-	-	-	179,952,558
- Five year later	19,940,660	-	-	-	-	-	19,940,660
Current estimate of cumulative claims	19,940,660	159,054,280	54,346,470	88,103,538	136,691,171	142,164,036	600,300,155
Cumulative payment to date	(19,560,130)	(148,470,777)	(52,797,057)	(85,092,667)	(131,490,835)	(91,595,141)	(529,006,607)
Liability recognised in statement of financial position	380,530	10,583,503	1,549,413	3,010,871	5,200,336	50,568,895	71,293,548

The net provision for IBNR on the basis of the actuarial valuation carried out as at December 31, 2024 amounted to Rs. 12.28 million (December 31, 2023: Rs. 10.24 million).

19. REBATE ON RE-TAKAFUL - PTF

	December 31, 2024	December 31, 2023
Note	----- (Rupees) -----	
Re-takaful rebate received or recoverable	43,564,512	23,211,562
Add: Unearned re-takaful rebate - opening	7,694,676	5,264,885
Less: Unearned re-takaful rebate - closing	(13,886,465)	(7,694,676)
	<u>37,372,723</u>	<u>20,781,771</u>

20. WAKALA FEE

Gross Wakala fee	128,473,417	90,985,250
Add: Unearned Wakala fee income - opening	37,199,673	32,561,463
Less: Unearned Wakala fee income - closing	(49,830,592)	(37,199,673)
	<u>115,842,498</u>	<u>86,347,040</u>

21. COMMISSION EXPENSE / ACQUISITION COST - OPF

Commission paid or payable	35,894,680	23,283,505
Add: Deferred commission expense - opening	7,833,163	6,789,349
Less: Deferred commission expense - closing	(12,575,073)	(7,833,163)
	<u>31,152,770</u>	<u>22,239,691</u>

22. GENERAL, ADMINISTRATION AND MANAGEMENT EXPENSES - OPF

Employee benefit cost	22.1	27,334,980	24,643,988
Shahriah advisor fees		1,850,400	1,704,000
Rent		1,387,358	1,266,983
Depreciation		1,150,750	1,017,085
Printing and stationery		675,141	730,037
Communications		773,493	738,203
Postage, telegram and telephone		219,054	181,236
Electricity, gas and water		910,524	744,631
Legal and professional charges		226,000	200,000
Annual supervision fees SECP		341,582	232,537
Miscellaneous		8,280	-
		<u>34,877,562</u>	<u>31,458,700</u>

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

22.1 Employee benefit cost

	Note	December 31, 2024	December 31, 2023
		----- (Rupees) -----	
Salaries, allowance and other benefits		26,413,078	23,598,673
Charges for post employment benefits	22.1.1	921,902	1,045,315
		<u>27,334,980</u>	<u>24,643,988</u>

22.1.1 This represents contribution to employee's provident fund managed by the Operator.

23. DIRECT EXPENSES - PTF

		December 31, 2024	December 31, 2023
		----- (Rupees) -----	
Tracker Charges		1,452,423	1,569,913
Bank charges		54,032	75,411
Co-takaful service charges		685,391	(3,890)
Miscellaneous		217,894	33,015
		<u>2,409,740</u>	<u>1,674,449</u>

24. INVESTMENT INCOME

Participants' Takaful Fund

Income from equity securities - Available for sale

Realised gain on sale of equity securities	4,470,764	1,603,377
Dividend income	9,574,260	13,510,517

Income from debt securities - Held to maturity

Return on GOP Ijarah Sukuk	5,272,080	-
Amortisation of discount	115,000	-
	<u>19,432,104</u>	<u>15,113,894</u>

Operator's Fund

Income from equity securities - Available for sale

Dividend income	9,540,879	13,743,526
Realised gain on sale of equity securities	12,085,867	8,356,343

Income from debt securities - Held to maturity

Return on GOP Ijarah Sukuk	10,544,160	-
Amortisation of discount	230,000	-
	<u>32,400,906</u>	<u>22,099,869</u>

25. OTHER INCOME

Participants' Takaful Fund

Profit on bank balances	<u>9,878,570</u>	<u>11,878,734</u>
-------------------------	------------------	-------------------

Operator's Fund

Profit on bank balances	<u>3,045,899</u>	<u>1,251,256</u>
-------------------------	------------------	------------------

26. MUDARIB'S FEE

Mudarib's share of PTF investment income	<u>5,862,135</u>	<u>5,398,526</u>
--	------------------	------------------

		December 31, 2024	December 31, 2023
	Note	----- (Rupees) -----	
27. OTHER EXPENSES - OPF			
Auditors' remuneration	27.1	<u>1,011,630</u>	<u>881,314</u>
		<u>1,011,630</u>	<u>881,314</u>
27.1 Auditors' remuneration			
Audit fee		253,000	230,000
Interim review fee		126,500	115,000
Shariah compliance audit		126,500	115,000
Special reports and other certifications		240,350	218,500
Out of pocket expenses including government levy		<u>265,280</u>	<u>202,814</u>
		<u>1,011,630</u>	<u>881,314</u>
28. TAXATION - NET			
Current year		35,142,696	23,601,625
Prior year		-	1,401,724
		<u>35,142,696</u>	<u>25,003,349</u>
29. REMUNERATION OF HEAD OF WINDOW TAKAFUL OPERATIONS			
Managerial remuneration		2,471,424	2,268,191
Bonus		605,427	550,588
Rent and house maintenance		1,112,136	1,020,689
Conveyance		703,910	721,920
Others		<u>472,860</u>	<u>380,120</u>
		<u>5,365,757</u>	<u>4,941,508</u>

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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
	Note	(Rupees)							
Participants' Takaful Fund									
Associated companies / undertaking									
Cyber Internet Services (Pvt.) Ltd.		12,073,133	3,448,452	1,389,295	-	-	-	-	-
Merit Packaging Limited		984,529	-	-	-	-	-	-	-
Orthopedic And Medical Institute (Pvt) Ltd.		244,667	-	114,807	-	-	-	-	-
Siza Foods (Private) Limited		640,413	15,122	187,799	-	-	-	-	-
GAM Corporation (Private) Limited		-	-	15,022	-	-	-	-	-
Lakson Investment Limited		-	-	-	15,000,000	-	-	-	-
Others									
Express Publication (Private) Limited		920,340	968,165	-	-	-	-	-	-
Operator's Fund									
Associated companies / undertaking									
Lakson Investment Limited		-	-	-	655,151,817	639,352,025	-	-	-
Others									
Century Insurance Company Limited	30.1	-	-	-	-	-	6,773,002	-	-
Century Insurance Company Limited	30.2	-	-	-	-	-	-	24,429,489	-
Retirement benefit plans									
Contribution to staff provident fund		-	-	-	-	-	-	-	673,244
Contribution to staff gratuity fund		-	-	-	-	-	-	-	248,658
December 31, 2024		14,863,082	4,431,739	1,706,923	670,151,817	639,352,025	6,773,002	24,429,489	921,902
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

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, 2024					
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous	Aggregate
	----- (Rupees) -----					
Participant's Takaful Fund						
Contribution received or receivable (inclusive of Federal Excise Duty / sales tax, Federal takaful fee and Administrative Surcharge)	101,404,098	136,421,672	155,233,197	16,458,069	20,303,764	429,820,800
Less: - Federal Excise Duty / Sales Tax	13,273,016	13,743,850	20,022,578	1,365	2,551,250	49,592,059
- Federal Takaful Fee	874,103	1,030,638	1,329,132	166,853	175,743	3,576,469
- Others	37,150	19,080,801	314,350	350	2,500	19,435,151
Facultative inward contribution	9,971,210	596,388	3,545,372	-	-	14,112,970
Gross written Contribution (inclusive of Administrative Surcharge)	97,191,039	103,162,771	137,112,509	16,289,501	17,574,271	371,330,091
- Gross direct Contribution	86,759,632	99,576,258	130,337,204	16,280,001	17,503,942	350,457,037
- Facultative inward contribution	9,971,210	596,388	3,545,372	-	-	14,112,970
- Administrative surcharge	460,197	2,990,125	3,229,933	9,500	70,329	6,760,084
	97,191,039	103,162,771	137,112,509	16,289,501	17,574,271	371,330,091
Wakala fee	(23,571,176)	(28,680,854)	(55,236,528)	(2,673,530)	(5,680,410)	(115,842,498)
Takaful contribution earned	78,570,597	95,603,018	128,457,072	13,367,657	16,229,736	332,228,080
Takaful contribution ceded to re-takaful operators	(75,125,307)	(79,616,321)	(4,701,984)	(8,000)	(13,515,880)	(172,967,492)
Net Takaful contribution	(20,125,886)	(12,694,157)	68,518,560	10,686,127	(2,966,554)	43,418,090
Re-takaful rebate	14,196,255	19,888,044	42,449	1,600	3,244,375	37,372,723
Net revenue	(5,929,631)	7,193,887	68,561,009	10,687,727	277,821	80,790,813
Takaful claims	(19,616,765)	(35,313,016)	(74,514,208)	(10,056,794)	(1,676,885)	(141,177,668)
Takaful claims recovered from re-takaful operators	18,976,295	29,556,227	13,975,244	-	1,404,872	63,912,638
Net claims	(640,470)	(5,756,789)	(60,538,964)	(10,056,794)	(272,013)	(77,265,030)
Direct expenses	(630,719)	(669,473)	(889,790)	(105,710)	(114,048)	(2,409,740)
(Deficit) / surplus before investment income	(7,200,820)	767,625	7,132,255	525,223	(108,240)	1,116,043
Investment income						19,432,104
Profit on bank balances						9,878,570
Mudarib fee						(5,862,135)
Surplus for the year						24,564,582
Operator's Fund						
Wakala fee income	23,571,176	28,680,854	55,236,528	2,673,530	5,680,410	115,842,498
Commission expense	(7,430,581)	(11,879,032)	(10,840,936)	(609,037)	(393,184)	(31,152,770)
Management expense	(9,128,769)	(9,689,670)	(12,878,433)	(1,530,008)	(1,650,682)	(34,877,562)
	7,011,826	7,112,152	31,517,159	534,485	3,636,544	49,812,166
Mudarib share of PTF investment income						5,862,135
Investment income						32,400,906
Other income						3,045,899
Other expenses						(1,011,630)
Profit before tax						90,109,476

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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) -----					
Participant's Takaful Fund						
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
Gross written Contribution (inclusive of Administrative Surcharge)	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
Net revenue	(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)
(Deficit) / surplus before investment income	(5,043,168)	4,359,250	12,194,192	(401,001)	318,703	11,427,976
Investment income						15,113,894
Profit on bank balances						11,878,734
Mudarib fee						(5,398,526)
Surplus for the year						33,022,078
Operator's Fund						
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)
	3,280,757	2,305,093	24,637,024	(382,639)	2,808,414	32,648,649
Mudarib share of PTF investment income						5,398,526
Investment income						22,099,869
Other income						1,251,256
Other expenses						(881,314)
Profit before tax						60,516,986

The class wise assets and liabilities are as follows:

	December 31, 2024				
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous
	(Rupees)				
Segment assets	113,857,629	66,827,959	84,894,677	3,649,054	20,307,740
Unallocated assets					
Participants' Takaful Fund					247,527,021
Operator's Fund					303,980,652
Total assets					841,044,732
Segment liabilities	128,948,021	82,089,946	190,607,111	9,422,907	21,834,350
Unallocated liabilities					
Participants' Takaful Fund					5,912,235
Operator's Fund					103,682,382
Total liabilities					542,496,952

	December 31, 2023				
	Fire and property damage	Marine, aviation and transport	Motor	Accident & Health	Miscellaneous
	(Rupees)				
Segment assets	67,006,558	22,326,764	56,239,722	1,171,940	14,097,831
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
Unallocated liabilities					
Participants' Takaful Fund					1,653,720
Operator's Fund					80,177,541
Total liabilities					345,290,954

32. MOVEMENT IN INVESTMENTS - OPF

	Available for sale
-- (Rupees) --	
Balance as at January 01, 2023	117,626,447
Additions	374,474,606
Disposals	(345,768,474)
Fair value net gains (excluding net realized gains / losses)	4,724,600
Balance as at January 01, 2024	151,057,179
Additions	788,319,056
Disposals	(734,572,280)
Fair value net gains (excluding net realized gains / losses)	7,481,622
Balance as at December 31, 2024	212,285,577

33. MOVEMENT IN INVESTMENTS - PTF

	Available for sale
--- (Rupees) ---	
Balance as at January 01, 2023	88,584,587
Additions	94,521,630
Disposals	(81,664,923)
Fair value net gains (excluding net realized gains / losses)	2,945,614
Balance as at January 01, 2024	104,386,908
Additions	159,342,966
Disposals	(92,185,003)
Fair value net gains (excluding net realized gains / losses)	9,357,305
Balance as at December 31, 2024	180,902,176

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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:

Class	Maximum gross risk exposure	
	2024	2023
	----- (Rupees) -----	
Fire and property	1,525,082,000	1,057,246,000
Marine, aviation and transport	615,846,000	379,893,000
Motor	25,000,000	45,500,000
Accident and Health	10,000,000	10,000,000
Miscellaneous	387,678,000	399,671,000

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	2024	2023
	----- (%) -----	
Fire and property damage	9	6
Marine, aviation and transport	14	3
Motor	45	46
Accident & Health	78	69
Miscellaneous	16	14

d) Changes in assumptions

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

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	
	2024	2023	2024	2023
	----- (Rupees) -----			
Impact of change in claim liabilities by +10%				
Fire and property damage	(64,047)	(117,254)	(64,047)	(117,254)
Marine, aviation and transport	(575,679)	9,366	(575,679)	9,366
Motor	(6,053,896)	(5,073,618)	(6,053,896)	(5,073,618)
Accident & Health	(1,005,679)	(146,044)	(1,005,679)	(146,044)
Miscellaneous	(27,201)	2,860	(27,201)	2,860
	<u>(7,726,502)</u>	<u>(5,324,690)</u>	<u>(7,726,502)</u>	<u>(5,324,690)</u>
Impact of change in claim liabilities by -10%				
Fire and property damage	64,047	117,254	64,047	117,254
Marine, aviation and transport	575,679	(9,366)	575,679	(9,366)
Motor	6,053,896	5,073,618	6,053,896	5,073,618
Accident & Health	1,005,679	146,044	1,005,679	146,044
Miscellaneous	27,201	(2,860)	27,201	(2,860)
	<u>7,726,502</u>	<u>5,324,690</u>	<u>7,726,502</u>	<u>5,324,690</u>

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

Average claim costs	Change in assumption	Impact on gross liabilities	Impact on net liabilities	Impact on surplus / deficit	Impact on Fund
		----- (Rupees) -----			
2024	+ 10%	14,117,767	7,726,503	7,726,503	7,726,503
2023	+ 10%	11,431,945	5,324,690	5,324,690	5,324,690

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:

Rating	Amount due from other takaful / re-takaful holders	Re-takaful recoveries against outstanding claims	December 31, 2024	December 31, 2023
	----- (Rupees) -----			
A or above including Pakistan Reinsurance Company Limited	68,428,074	20,561,850	88,989,924	53,780,779
B or above	-	1,636,464	1,636,464	1,235,123
	68,428,074	22,198,314	90,626,388	55,015,902

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

Financial assets

	Effective rate % per annum	2024		Total
		Profit bearing financial instruments	Non-profit bearing financial instruments	
		Maturity upto one year		
		----- (Rupees) -----		
Investments				
Equity securities / Mutual funds		-	393,187,753	393,187,753
Loans and other receivables		-	6,711,954	6,711,954
Takaful / retakaful receivables		-	151,038,492	151,038,492
Receivable from Participants' Takaful Fund		-	66,618,025	66,618,025
Retakaful recoveries against outstanding claims		-	22,198,314	22,198,314
Cash and bank	5.02 - 18.50	72,414,868	-	72,414,868
		72,414,868	639,754,538	712,169,406

Financial liabilities

Outstanding claims including IBNR	-	71,293,548	71,293,548
Payable to Operator's Fund	-	66,618,025	66,618,025
Takaful / Re-takaful payables	-	139,288,853	139,288,853
Other creditors and accruals	-	23,845,877	23,845,877
	-	301,046,303	301,046,303

Interest risk sensitivity gap

72,414,868	338,708,235	411,123,103
------------	-------------	-------------

Cumulative interest risk sensitivity gap

72,414,868

Financial assets

	Effective rate % per annum	2023		Total
		Profit bearing financial instruments	Non-profit bearing financial instruments	
		Maturity upto one year		
		----- (Rupees) -----		
Investments				
Equity securities / Mutual funds		-	255,444,087	255,444,087
Loans and other receivables		-	5,227,536	5,227,536
Takaful / retakaful receivables		-	66,982,420	66,982,420
Receivable from Participants' Takaful Fund		-	49,848,274	49,848,274
Retakaful recoveries against outstanding claims		-	17,038,321	17,038,321
Cash and bank	4.75 - 19.25	76,742,320	-	76,742,320
		76,742,320	394,540,638	471,282,958

Financial liabilities

Outstanding claims including IBNR	-	58,028,817	58,028,817
Payable to Operator's Fund	-	49,848,274	49,848,274
Takaful / Re-takaful payables	-	45,118,514	45,118,514
Other creditors and accruals	-	20,613,872	20,613,872
	-	173,609,477	173,609,477

Interest risk sensitivity gap

76,742,320	220,931,161	297,673,481
------------	-------------	-------------

Cumulative interest risk sensitivity gap

76,742,320

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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 5.02% to 18.50% (2023: 4.75% to 19.25%).

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. 21.23 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. 18.09 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.

Participants' Fund

Financial liabilities

Provision for outstanding claims
(including IBNR)
Takaful / re-takaful payables
Payable to Operator's Fund
Other creditors and accruals

2024			
With in one year	Over one year to five year	Over five year	Total
----- (Rupees) -----			
71,293,548	-	-	71,293,548
139,288,853	-	-	139,288,853
66,618,025	-	-	66,618,025
652,164	-	-	652,164
277,852,590	-	-	277,852,590

Financial liabilities

Provision for outstanding claims
(including IBNR)
Takaful / re-takaful payables
Payable to Operator's Fund
Other creditors and accruals

2023			
With in one year	Over one year to five year	Over five year	Total
----- (Rupees) -----			
58,028,817	-	-	58,028,817
45,118,514	-	-	45,118,514
49,848,274	-	-	49,848,274
391,618	-	-	391,618
153,387,223	-	-	153,387,223

Operator's Fund

Financial liabilities

Other creditors and accruals

2024			
With in one year"	Over one year to five year	Over five year	Total
----- (Rupees) -----			
23,193,713	-	-	23,193,713

Financial liabilities

Other creditors and accruals

2023			
With in one year	Over one year to five year	Over five year	Total
----- (Rupees) -----			
20,222,254	-	-	20,222,254

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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:

	Long Term Rating	Rating Agency	December 31, 2024 ----- (Rupees)	December 31, 2023 -----
Bank				
Operator's Fund				
Meezan Bank Limited	AAA	VIS	216,661	1,905,616
Bank Islamic Pakistan Limited	AA-	PACRA	11,858,684	12,815,396
			<u>12,075,345</u>	<u>14,721,012</u>
Participants' Fund				
Meezan Bank Limited	AAA	VIS	20,498,189	16,938,507
Al Baraka Bank (Pakistan) Limited	A	VIS	4,078	72,351
Bank Islamic Pakistan Limited	AA-	PACRA	35,687,502	44,557,433
Dubai Islamic Bank (Pakistan) Limited	AA	VIS	4,139,754	443,017
			<u>60,329,523</u>	<u>62,011,308</u>

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:

	2024		2023	
	Gross	Impairment	Gross	Impairment
			(Rupees)	
Upto 1 year	55,143,620	-	27,896,065	-
1-2 years	292,242	-	(337,488)	-
2-3 years	(418,997)	-	(168,284)	-
Over 3 years	(280,681)	-	(177,166)	-
	54,736,184	-	27,213,127	-

35. STATEMENT OF SOLVENCY - PTF

STATEMENT OF SOLVENCY - PTF		December 31, 2024	December 31, 2023
	Note	----- (Rupees) -----	-----
Assets			
Investments			
Equity securities / mutual funds		180,902,176	104,386,908
Loans and other receivables		6,295,322	5,145,619
Takaful / retakaful receivables		151,038,492	66,982,420
Retakaful recoveries against outstanding claims		22,198,314	17,038,321
Deferred wakala fee	35.1	49,830,592	37,199,673
Prepaid retakaful contribution ceded	35.1	66,469,661	39,622,401
Cash and bank		60,329,523	62,011,308
Total assets		537,064,080	332,386,650

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

Investments	15,108,937	1,269,893
Takaful / re-takaful receivables	29,974,403	16,985,540
Loan and other receivables	5,395,237	3,645,602
Total of In-admissible assets	50,478,577	21,901,035

Total of admissible assets	486,585,503	310,485,615
-----------------------------------	--------------------	--------------------

Liabilities

Underwriting provisions		
Outstanding claims including IBNR	71,293,548	58,028,817
Unearned contribution reserves	139,561,981	100,459,970
Unearned re-takaful rebate	13,886,465	7,694,676
Contribution received in advance	3,167,120	2,064,425
Payable to Operator's Fund	66,618,025	49,848,274
Takaful / Re-takaful payables	139,288,853	45,118,514
Other creditors and accruals	4,998,578	1,898,737
Total liabilities	438,814,570	265,113,413

Total net admissible assets	47,770,933	45,372,202
------------------------------------	-------------------	-------------------

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.

Notes to and Forming part of the Financial Statements

For the year ended December 31, 2024

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, 2024									
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) -----									
Financial assets measured at fair value									
Investments in mutual funds	393,187,753	-	-	-	393,187,753	-	393,187,753	-	393,187,753
Financial assets not measured at fair value									
Loans and receivables*	-	-	1,316,717	-	1,316,717	-	-	-	-
Takaful / Re-takaful receivables*	-	-	151,038,492	-	151,038,492	-	-	-	-
Re-takaful recoveries against outstanding claims*	-	-	22,198,314	-	22,198,314	-	-	-	-
Receivable from Participant Takaful Fund*	-	-	66,618,025	-	66,618,025	-	-	-	-
Cash and bank*	-	-	72,414,868	-	72,414,868	-	-	-	-
	393,187,753	-	313,586,416	-	706,774,169	-	393,187,753	-	393,187,753
Financial liabilities not measured at fair value									
Provision for outstanding claims (including IBNR)*	-	-	-	(71,293,548)	(71,293,548)	-	-	-	-
Payable to Operator's Fund*	-	-	-	(66,618,025)	(66,618,025)	-	-	-	-
Takaful / Retakaful payables*	-	-	-	(139,288,853)	(139,288,853)	-	-	-	-
Other creditors and accruals*	-	-	-	(23,845,877)	(23,845,877)	-	-	-	-
	-	-	-	(301,046,303)	(301,046,303)	-	-	-	-
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) -----									
Financial assets measured at fair value									
Investments in mutual funds	255,444,087	-	-	-	255,444,087	-	255,444,087	-	255,444,087
Financial assets not measured at fair value									
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 Participant 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
Financial liabilities not measured at fair value									
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)	-	-	-	-

* 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, 2024, 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:

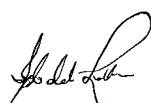
Level 2: Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV and PKFRV rates as announced by Mutual Funds Association of Pakistan (MUFAP).

37. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on February 14, 2025.

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



Nawaid Jamal
Chief Financial Officer

Notes

[illegible]



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 29th day of April 2025 or at any adjournment thereof.

Signed this _____ day of _____ 2025.

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 ۲۹ اپریل ۲۰۲۵ 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 ۲۰۲۵ 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

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 **Website:** https://www.cicl.com.pk/

Ballot Paper for Voting Through Post

For poll to be held at the Annual General Meeting of Century Insurance Company Limited on Tuesday, April 29, 2025 at 3:00 p.m. at ICAP Auditorium, Chartered Accountants Avenue, Block 8, Clifton, Karachi as well as through electronic means/Video link facility.

Contact Details of Chairman, where ballot paper may be sent:

Business Address: The Chairman, Century Insurance Company Limited, Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi-74200, Pakistan.

Attention: Company Secretary

Designated email address: chairman@cicl.com.pk

Name of Shareholder / Joint shareholders	
Registered Address of Shareholder(s)	
Number of shares held	
Folio Number / CDC Account	
CNIC No./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.)	

INSTRUCTION FOR POLL

1. Please indicate your Vote by ticking (✓) the relevant box.

2. In case both the FOR and AGAINST boxes are marked as (✓), your ballot paper shall be treated as "Rejected".

I/we hereby exercise my/our vote in respect of the below resolutions through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below.

S. No.	Nature and Description of Special Business/Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	AGENDA ITEM NO. 4 "RESOLVED that the authorized capital of the Company be and is hereby increased to Rs. 1,200,000,000 divided into 120,000,000 ordinary shares of Rs.10 each by creation of 50,000,000 new shares of Rs. 10 each and that Clause V of the Memorandum of Association and Clause 3 of the Articles of Association of the Company be and are hereby amended accordingly."		
2	AGENDA ITEM NO. 5 (a)(b) a) "RESOLVED that the transactions carried out in normal course of business with associated companies/related parties as disclosed in Note Nos.34 & 30 of the audited financial statements (Conventional and Window Takaful Operations respectively) for the year ended December 31, 2024 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, 2025 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/executive any and all such documents/instruments as may be required in this regard on behalf of the Company."		

NOTES/PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

- Duly filled and signed original postal ballot should be sent to the Chairman, at above-mentioned business or email address.
- 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 28, 2025 during working hours (i.e. by 5:00 p.m.). 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 alongwith 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 www.cicl.com.pk. Members may download the ballot paper from the website or use original/photocopy as published in newspapers.

Signature of Shareholder(s)

Place:

Date:

Stamp in case of Corporate Shareholder



سینچری انشورنس کمپنی لمیٹڈ

رجسٹرڈ شدہ دفتر: بلیکسن اسکوائر، بلڈنگ نمبر 2، سرور شہید روڈ، کراچی۔ 74200

فون نمبر: 0000 3840 21 92 + فیکس نمبر: 4336 21 3568 92 +

ای میل: chairman@cicl.com.pk ویب سائٹ: http://www.cicl.com.pk

بیلٹ پیپر برائے ووٹنگ بذریعہ ڈاک

برائے سالانہ اجلاس عام بابت: سینچری انشورنس کمپنی لمیٹڈ بروز منگل 29 اپریل 2025 بوقت دوپہر 3:00 بجے، بمقام آئی کپ (ICAP) آڈیٹوریم، چارٹرڈ اکاؤنٹنٹس ایونیو، بلاک 8، کلفٹن، کراچی نیز بذریعہ الیکٹرانک ذرائع / ویڈیو لنک سہولت۔
چیز مین کے پتے کی تفصیلات، جہاں بیلٹ پیپر بھیجا جاسکتا ہے: کاروباری پتہ: چیز مین، سینچری انشورنس کمپنی لمیٹڈ، بلیکسن اسکوائر، بلڈنگ نمبر 2، سرور شہید روڈ، کراچی۔ 74200، پاکستان۔
معرفت: کمپنی کی ڈیڑی شخص شدہ ای میل: chairman@cicl.com.pk

حصص یافتگان / مشترکہ حصص یافتگان کے نام	
حصص یافتہ / یافتگان کے رجسٹرڈ شدہ پتہ / پتے	
تحويل شدہ حصص کی تعداد	
فولیو نمبر / سی ڈی سی اکاؤنٹ	
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر / پاسپورٹ نمبر (بصورت غیر ملکی) (نقل منسلک کی جائے)	
اضافی معلومات منسلک شدہ دستاویزات (کارپوریٹ ادارے، کارپوریشن اور وفاقی حکومت کی جانب سے نمائندہ ہونے کی صورت میں)	

ووٹنگ کیلئے ہدایات

- برائے مہربانی اپنا حق رائے دہی متعلقہ کس میں (م) صحیح کا نشان لگا کر کریں۔
 - اگر رائے دہی کیلئے "حق میں" اور "خلاف" دونوں خانوں میں نشان لگایا جائے تو آپ کے بیلٹ پیپر کو "مسترد" قرار دیا جائے گا۔
- میں / ہم بذریعہ ہندامند رجسٹرڈ ذیل قراردادوں کے بارے میں اپنا حق رائے دہی بذریعہ بیلٹ استعمال کرتا / کرتی ہوں / کرتے ہیں، میں / ہم اپنا / اپنی رائے کے اظہار کیلئے قرارداد کے حق یا مخالفت کے خانے میں (م) کا نشان لگا کر اظہار رائے کرتا / کرتی ہوں / کرتے ہیں۔

نمبر شمار	امور خصوصی / قرارداد خصوصی کی نوعیت اور 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)
1	ایجنڈا اہم نمبر 4 "قرارداد کیا جاتا ہے کہ کمپنی کے مجاز کپٹل 1,200,000,000 روپے کی حد تک بڑھا یا جا رہا ہے اور بذریعہ قرارداد بذات اس بات کی اجازت دی جاتی ہے کہ کمپنی کے کپٹل کو اس حد تک بڑھا یا جاتا ہے، اس کپٹل کو 120,000,000 حصص میں تقسیم کیا جا رہا ہے، ہر ایک حصص کی مالیت 10 روپے ہے، اس ضمن میں 10 روپے مالیت فی حصص کے حساب سے 50,000,000 حصص جاری کئے جائیں گے، نیز بذریعہ قرارداد بذات اس بات کی اجازت دی جاتی ہے کہ بیوروٹرم آف ایسیوشن کی شش 5 اور کپٹل آف ایسیوشن کی شش 3 میں اسی مناسبت سے ترمیم کی جا رہی ہے۔"		
2	ایجنڈا اہم نمبر 5 (الف) (ب) (الف) "قرارداد کیا جاتا ہے کہ کمپنی کے آڈٹ شدہ مالیاتی گوشواروں بابت مالی سال اختتامیہ 31 دسمبر 2024 کے فوس نمبر 34 اور 30 میں بیان کیا گیا ہے، معمول کے مطابق کمپنی کی جانب سے متعلقہ پارٹیوں کے ساتھ لین دین کے معاملات (بالتربیب روایتی اور بذریعہ وڈو ڈیٹا فیل آپریشنز) درست ہیں اور انکی منظوری دی جاتی ہے۔" (ب) "مزید برآں، قرارداد کیا جاتا ہے کہ کمپنی کے چیف ایگزیکٹو آفیسر اس بات کے مجاز ہیں اور انھیں بذریعہ قرارداد بذات اس بات کا مجاز بنایا جاتا ہے کہ ان کی جانب سے طے پائے جانے والے متعلقہ امور کی منظوری دی جائے اور ان امور کی معمول کے مطابق متعلقہ پارٹیوں کے ساتھ کمپنی کے لین دین کے سلسلے میں مالی سال اختتامیہ 31 دسمبر 2025 کے دوران طے پائیں گے، اور اس ضمن میں کمپنی کے چیف ایگزیکٹو آفیسر اس بات کے مجاز ہیں اور بذریعہ قرارداد مجاز بنایا جاتا ہے کہ کمپنی کی جانب سے دستخط کریں، دستاویزات مرتب کریں یا ایسا کوئی بھی اقدامات انھیں جو کہ ان معاملات کیلئے ضروری ہو۔"		

نوٹس بیلٹ پیپر جمع کروانے کا طریقہ کار

- باقاعدہ پڑھندہ اور دستخط شدہ اصل بیلٹ فارم مذکورہ بالا کاروباری پتے یا ای میل پتے پر بنام چیز مین ارسال کیجئے۔
- پوسٹل بیلٹ فارم کے ساتھ کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ (بصورت غیر ملکی) کی نقل منسلک کرنا لازم ہے۔
- پوسٹل بیلٹ فارم اجلاس کے چیز مین کے پاس 28 اپریل 2025 تک یا اس سے پہلے دوران اوقات کار (یعنی شام 5:00 بجے تک) پہنچ جانے چاہئیں۔ مذکورہ تاریخ کے بعد موصول ہونے والے پوسٹل بیلٹ کو حق رائے دہی میں شمار نہیں کیا جائے گا۔
- پوسٹل بیلٹ پر کئے گئے دستخطوں کا کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ (بصورت غیر ملکی) پر کئے گئے دستخطوں سے مماثل ہونا لازمی ہے۔
- نامکمل، غیر دستخط شدہ، غلط، مڑے ہوئے، پھٹے ہوئے یا کٹی ہوئی تحریر والے پوسٹل بیلٹ کو مسترد کر دیا جائے گا۔
- اگر کسی کاروباری ادارے یا کارپوریشن کی جانب سے کوئی نمائندہ اجلاس میں شرکت کرے تو پوسٹل بیلٹ کے ساتھ مجاز شخص کے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل، مع تصدیق شدہ قرارداد بورڈ آف ڈائریکٹرز، پاور آف اٹارنی، یا کمپنیز ایکٹ 2017 کے سیکشن 138 یا 139 کے تحت مجاز لیٹر، جیسی بھی صورت ہو، ارسال کرنا لازم ہے، اگر پہلے ہی یہ دستاویزات پر کسی فارم کے ساتھ فراہم ناکافی گئی ہوں۔ اگر نمائندہ کسی غیر ملکی کاروباری ادارے سے ہو تو پاکستان اس کے تو فیصل جزل سے یہ تمام دستاویزات تصدیق کروانا لازم ہیں جس کی عملداری کے تحت ممبر آتا ہو۔
- بیلٹ پیپر کمپنی کی ویب سائٹ www.cicl.com.pk پر بھی دستیاب ہے۔ ممبران ویب سائٹ سے بیلٹ پیپر ڈاؤن لوڈ کر سکتے ہیں، بصورت دیگر اخبارات میں شائع کردہ بیلٹ پیپر کو اصل یا اسکی نقل بھی اس مقصد کیلئے استعمال کی جاسکتی ہے۔

Network

Head Office

11th Floor, Lakson Square, Building # 3,
Sarwar Shaheed Road, Karachi-74200.
UAN: (021) 111-111-717 Fax: (021) 35671665
Email: info@cicl.com.pk

Clifton Office

Office # 504-505, 5th Floor, Marine Point,
DC 1, Block-9, Clifton, Karachi.
Tel: (021) 35309234-36 Fax: (021) 35309237

Karachi City Office

Falak Corporate City, Office # 901,
9th Floor, Opposite Chamber of Commerce,
Talpur Road, Karachi.
Tel: (021) 32465607-10

Islamabad Office

Office # 6, Kashmir Plaza, Jinnah Avenue,
Blue Area, Islamabad.
UAN: (051) 111-111-717 Fax: (051) 2870228

Faisalabad Office

2nd 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

2nd 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, 9th 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, 2nd 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

1st Floor, 14 Ali Block, New Garden Town, Lahore.
UAN: (042) 111-111-717 Fax: (042) 35911176

Multan Office

Office # 55-57, 1st Floor, Business City Plaza,
Bosan Road, Multan.
Tel: (061) 6211241-43 Fax: (061) 6211244



Century Insurance Company Limited
A Lakson Group Company

UAN: 111-111-717
Website: www.cicl.com.pk