



EFU GENERAL INSURANCE LTD
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2025
ANNUAL REPORT



TRANSFORMING RESILIENCE

2025
ANNUAL REPORT



TRANSFORMING RESILIENCE

EFU General, founded in 1932, with a clear vision to safeguard the financial future of its customers. Even after ninety-three years, this commitment continues to guide everything we do.

Over the decades, we have navigated significant changes across the global, national, and industry levels. Evolving political and economic conditions have shaped the business landscape, and our sustained growth and market leadership reflect our resilience, adaptability, and ability to respond effectively to emerging challenges.

We have strengthened our foundations and earned enduring trust by consistently honoring our commitments. Our strong capital base, highly professional team and strategic partnerships with leading international reinsurers provide us with a distinct competitive advantage. Today, EFU stands proudly recognized as Pakistan's flagship insurance brand.

INTEGRITY & ETHICS

The Company conducts its affairs with the highest standards of ethics, dignity, fairness and transparency, ensuring full compliance with applicable laws, regulations and corporate governance framework.



EXCELLENCE

The Company is committed to excellence by measuring performance not only through results but through service quality, policyholders' satisfaction and long-term value creation for stakeholders.



PROFESSIONALISM

The Company upholds professionalism as a core value, ensuring that all business resources are managed prudently and efficiently to achieve sustainable and optimal returns in accordance with best industry practices.



DISCIPLINE

The Company's pursuit of excellence is anchored in discipline, supported by a clear strategic direction, robust controls and adherence to regulatory and governance frameworks.



OWNERSHIP

The Company promotes a culture of accountability and initiatives among its employees, ensuring that strategic objectives are delivered with diligence, responsibility and in alignment with shareholders' interests.



COMMUNITY

The Company remains committed to social responsibility by contributing to community welfare, financial inclusion and national development through structured CSR and ESG initiatives and ethical business conduct.



ABOUT THE REPORT

The Annual Report 2025 is designed to present a clear, balanced and decision-useful information of how the Company creates value through disciplined underwriting, prudent risk and capital management, responsive claims servicing, and strong governance.

The report connects our strategy, business model, key risks and opportunities, sustainability considerations, stakeholders’ engagement and financial performance, enabling stakeholders to understand our operating context, performance drivers and outlook in a transparent manner.

1. Organizational Overview and External Environment

EFU General Insurance Limited (“the Company”) is a leading non-life insurer in Pakistan, providing insurance solutions across retail, SME and Corporate segments. Our purpose is to protect customers against financial loss and enable resilience through underwriting expertise, customer service, and reliable claims settlement.

We operate in a dynamic external environment influenced by inflation, interest rates, FX volatility, catastrophe and climate-related events, evolving cyber threats, regulatory developments, and competitive pressures. The Company remains committed to compliance with applicable laws and regulations and to strengthening operational resilience in response to the changing landscape.

2. Strategy and Resource Allocation

Our strategy is anchored in sustainable profitability and prudent growth. Key strategic pillars include:

- Underwriting discipline with portfolio optimisation and risk-based pricing.
- Claims excellence to enhance customer trust and service quality.
- Digital enablement to improve efficiency, controls and customer experience.
- Capital and liquidity strength through prudent investment and risk appetite alignment.

Resource allocation during 2025 prioritised investments in people (technical skills), systems and controls, data-led decisioning, customers experience and business continuity capabilities.

3. Risks and Opportunities

The Company follows a structured risk management approach for identification, assessment, monitoring and mitigation of principal risks. Key risk themes include:

- Underwriting and reserving risk; catastrophe exposure and accumulation risk
- Reinsurance counterparty risk and credit risk
- Market, investment and liquidity risks
- Regulatory, compliance and AML/CFT risks
- Cybersecurity, data privacy, operational and third-party risks

Opportunities include product innovation, growth in priority segments, improved analytics, stronger claims productivity, and digitally enabled distribution and servicing.

4. Sustainability Disclosures and CSR

EFU General's sustainability approach integrates responsible business conduct, resilience, human capital development, community engagement, and operational efficiency. Sustainability considerations particularly climate related risk and customer expectations are increasingly relevant for non-life insurers. We continue strengthening our ability to assess, manage and respond to sustainability-related risks and opportunities, consistent with evolving stakeholder and regulatory expectations.

5. Governance

The Company is committed to high standards of corporate governance, transparency and accountability. The Board provides oversight on strategy, risk management, internal control, financial reporting and compliance. Governance mechanisms include defined delegation of authority, oversight, internal audit assurance, and compliance monitoring. The Company maintains key policies and frameworks (e.g. code of conduct, conflict management, whistleblowing, HR policies and control standards) to support ethical conduct and effective oversight.

6. Analysis of the Financial Information

Management’s discussion and analysis explains performance through insurance-relevant indicators such as: premium growth and mix, underwriting profitability, claims trends and loss ratios, expense efficiency, combined ratio, investment performance, liquidity position and capital strength. Year-on-year comparisons are explained through key drivers including pricing, portfolio mix, claims development, reinsurance strategy, and market conditions.

7. Business Model

EFU General creates value by transforming risk insights, underwriting expertise, distribution reach and capital strength into protection solutions and dependable claims support.

- Inputs: capital, people, data, reinsurance capacity, brand, systems and partnerships
- Activities: product design, underwriting/pricing, risk assessment, policy servicing, claims management, investments, compliance
- Outputs: policies issued, claims settled, customer support delivered, risk prevention initiatives
- Outcomes: customer resilience, stakeholder trust, sustainable shareholder returns, and contribution to economic prosperity

8. IT Governance and Cybersecurity

IT governance supports operational reliability, data integrity and service continuity. The Company maintains controls relating to access management, segregation of duties, change management, backups, monitoring and incident response. Cybersecurity is addressed as an enterprise risk, and the Company continues strengthen its defensive measures, awareness, and vendor oversight to mitigate evolving threats and maintain stakeholders’ confidence.

9. Future Outlook

The Company remains focused on sustainable, profitable growth amid economic volatility and changing risk patterns. Our priorities include disciplined underwriting, prudent reinsurance protection, strong claims governance, efficient expense management, continued digital transformation and enhanced risk mitigation (including catastrophe/climate and cyber). We will continue aligning capabilities with market needs and regulatory expectations while preserving capital strength.

10. Stakeholder Relationship and Engagement

We engage proactively with policyholders, employees, shareholders, regulators, business partners, reinsurers, vendors and communities through structured communication channels, service platforms, disclosures and feedback mechanisms. Our engagement approach emphasizes transparency, responsiveness and continuous improvement in customer experience and service delivery. We maintain appropriate mechanisms for grievances, complaints handling and whistleblowing to promote accountability.

11. Striving for Excellence in Corporate Reporting

EFU General is committed to corporate reporting that is clear, balanced, comparable and aligned with leading practices. The Annual Report aims to connect narrative reporting with financial results, explain performance drivers, and provide stakeholders with a coherent view of strategy, risk, governance and outlook. Processes are supported by internal controls over financial reporting and appropriate assurance mechanisms.

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CEO MESSAGE

https://efuinsurance.com/resource/financials/financial-reports/downloads/CEO_Message



01

ORGANIZATIONAL
OVERVIEW
AND EXTERNAL
ENVIRONMENT

FINANCIAL HIGHLIGHTS 2025

Total Assets 85,626 Rupees in Million	Investments (including Investment Properties) 38,398 Rupees in Million		Investment & Other Income 6,510 Rupees in Million	Underwriting Result 2,187 Rupees in Million
Shareholders' Equity 27,390 Rupees in Million	Premium Written Premium (including Takaful Contribution) 46,886 Rupees in Million		Claims Paid (Gross) 8,669 Rupees in Million	Profit After Tax 5,299 Rupees in Million
Breakup Value (including surplus on revaluation) 143.78 Rupees			Cash Dividend 2,000 Rupees in Million	

FINANCIAL STRENGTH
RATINGS

PACRA
AA++

A.M. BEST*
B

* For latest rating,
visit www.ambest.com

COMPANY INFORMATION

Chairman

Saifuddin N. Zoomkawala

Vice Chairman

Hasanali Abdullah

**Managing Director &
Chief Executive Officer**

Kamran Arshad Inam

Directors

Taher G. Sachak
Asad Nasir
Saad Bhimjee
Tanveer Sultan Moledina
Yasmin Hyder

Chief Financial Officer

Najmul Hoda Khan

**Company Secretary &
Compliance Officer**

Amin Punjani

Legal Advisor

Khurram Rashid Advocate

Shari'ah Advisor

Mufti Muhammad Ibrahim Essa

Audit Committee

Tanveer Sultan Moledina
Hasanali Abdullah
Taher G. Sachak
Asad Nasir
Yasmin Hyder

Investment Committee

Hasanali Abdullah
Saifuddin N. Zoomkawala
Taher G. Sachak
Kamran Arshad Inam
Najmul Hoda Khan

**Ethics, Human Resource &
Remuneration Committee**

Yasmin Hyder
Saifuddin N. Zoomkawala
Hasanali Abdullah
Kamran Arshad Inam

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2 Karachi

Registrar

CDC Share Registrar Services Limited CDC
House, 99-B, Block-B S.M.C.H.S.,
Shahrah-e-Faisal Karachi - 74400

Website

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Email

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Kamran Centre, 1st Floor
85 East, Jinnah Avenue
Blue Area, Islamabad

Main Office

EFU House
M.A. Jinnah Road Karachi

Window Takaful Operations

5th Floor, EFU House
M.A. Jinnah Road
Karachi

VISION

To continue our journey
to be better than the
best.

MISSION

To provide services beyond
expectation with a will to go an
extra mile. In the process,
continue to upgrade
technology, human resources
and reinsurance protection.

COMPANY OVERVIEW

EFU General Insurance Limited (“EFUG”) was incorporated in 1932 as a public limited company and is engaged in underwriting non-life insurance and window takaful business. The Company is listed on the Pakistan Stock Exchange Limited, with its ownership structure, including the pattern and categories of shareholding, disclosed in detail in this Annual Report.

Following the Government of Pakistan’s decision in 1990 to reopen the life insurance sector to the private sector, the EFU Group established EFU Life Assurance Limited (EFUL), which commenced operations in November 1992. EFU Life was the first insurer in Pakistan to introduce unit-linked insurance products. In March 2018, the Board of Directors assessed the Company’s control over its investment in EFUL and declared EFUL to be a subsidiary of EFUG. EFUL is today one of the leading life insurance companies in Pakistan, with an Insurer Financial Strength rating of AA++ with a Stable outlook from PACRA.

EFU Group is the largest insurance group in Pakistan, comprising EFU General Insurance Limited and its subsidiary, EFU Life Assurance Limited. EFUG offers a comprehensive range of non-life insurance and window takaful solutions tailored to meet the needs of commercial, industrial, and individual clients. The Company’s diversified product portfolio includes Fire and Property Damage, Marine, Aviation and Transport, Motor, and Miscellaneous insurance, as well as Window Takaful operations.

The shares of EFU General Insurance Limited are quoted on the Pakistan Stock Exchange. The Company holds an Insurer Financial Strength rating of AA++ with a Stable outlook from PACRA and also maintains an international rating from A.M. Best, the world’s specialized insurance rating agency, which has assigned a Financial Strength Rating of “B” with a Stable outlook. EFUG’s broad client base includes leading business houses, multinational corporations, financial institutions, SMEs, and individual customers across Pakistan.

EXTERNAL ENVIRONMENT AFFECTING THE COMPANY

The general insurance sector’s performance is strongly correlated to economic growth. The key drivers of insurance growth in a country are typically macroeconomic factors, regulatory factors and demographics of a country. In Pakistan, the insurance penetration has remained modest as compared to neighboring countries. Discount rate was decreased from 13% to 10.5% during 2025 and is expected to decrease further in 2026. The Pakistan Stock Exchange KSE 100 index has risen from 117,119 points to 176,355 points during the year.



PRODUCT PORTFOLIO

EFU General provides full range of insurance and takaful services to fulfill the needs of all its customers being commercial and individual clients. Our product portfolio includes:



FIRE AND PROPERTY DAMAGE

Fire and Property portfolio comprises of comprehensive insurance solutions designed to protect assets across the entire project and operational lifecycle. Our portfolio covers a wide range of risks faced by construction companies, industrial enterprises, contractors, and commercial businesses.

For construction and infrastructure developments, the department offers Engineering Insurance products including Contractors' All Risks (CAR) and Erection All Risks (EAR). For large and complex developments, EFU provides Comprehensive Project Insurance solutions for mega projects, integrating all major covers under a single framework. These include Marine Cargo, Marine Delay in Start-Up (DSU), Third Party Liability, Construction/Erection risks, and Advanced Loss of Profits following construction or erection, ensuring seamless protection from project inception to completion.

For operational plants and facilities, the Company provides Machinery Breakdown, Boiler and Pressure Vessel Insurance, and Electronic Equipment Insurance to safeguard critical machinery and systems. Contractors' Plant and Machinery (CPM) insurance is also available on an annual basis, covering contractors' equipment irrespective of individual projects.

In addition, the department manages Fire and Allied Perils Insurance for industrial and commercial properties, Comprehensive Machinery / All Risks Insurance, and Business Interruption cover, which is a core strength of the Company. EFU also offers Terrorism and Comprehensive Political Violence insurance, including War risks, delivering robust and reliable protection to our clients.

MARINE, AVIATION AND TRANSPORT

Marine Cargo insurance covers physical damage to cargo whilst moving from one place to another via any means of transport. Apart from cargo loss, customs duties and incidental costs can also be covered. For big projects, cargo policies can be extended to cover losses due to Delay in Start-Up (DSU). Seller's contingency covers are also available.

Marine Hull policies cover physical damage to ships, pontoons, barges, port terminals, rigs etc. Coverages are for hull all risks and hull war risks. Covers for personal accident to crew are also available. Ship-breaking (including death voyage cover) and ship-building risks are also covered in this class of insurance. Coverages for shipping agent liabilities, freight forwarders liabilities, transporters liabilities, charterers liabilities etc are also provided.

On the aviation side, EFU provides complete insurance solutions for fixed wing as well as rotor wings aircraft. Coverages are for hull all risks, hull war risks, hull deductible buyback, personal accident for crew, loss of license. Covers for airside liabilities, hangar keeper liabilities, aircraft refueling liabilities etc; are also available.

MOTOR

EFU General remains the market leader in motor insurance, offering comprehensive coverage for both private and commercial vehicles. Our policies provide protection against accidental loss, theft, and third-party liabilities, along with coverage for risks such as natural calamities, fire, external explosions, riots, terrorism, and transit-related incidents. We offer financial security, peace of mind, and compliance with the motor vehicle laws, reinforcing our reputation as a trusted insurer.

We continuously innovate to enhance customer convenience, introducing a hassle-free, paperless process through our mobile app, allowing instant policy issuance, renewals, and swift claim processing. Additionally, our 24/7 WhatsApp Chatbot and call centre ensures seamless support and assistance.

Our diverse customer base reflects our ability to service all segments in accordance with their varying needs, ensuring tailored solutions for each customer.

With a strong focus on service quality, risk management, and customer satisfaction, we continue to strengthen brand preference and awareness, reaffirming EFU General as the most reliable name in motor insurance.

MISCELLANEOUS

Miscellaneous Insurance encompasses a broad spectrum of insurance solutions designed to address diverse and complex risks beyond conventional insurance classifications.

Through this portfolio, EFU General offers an extensive range of insurance solutions, including specialized covers such as Cyber Insurance, Bankers Blanket Bond, Crime and Infidelity Insurance, and Legal Liability Insurance covering Directors & Officers Liability, Public and Product Liability, Professional Indemnity, Employers' Liability/Workmen's Compensation, Export Trade Credit Insurance and Commercial General Liability. The portfolio further includes Burglary Insurance, Agricultural Insurance (Crop and Livestock), as well as tailored and customer-centric solutions such as Mobile Phone Insurance, Travel Insurance, Travel Inconvenience Cover, Personal Accident Insurance, Digital Transactional Insurance, ATM Cash Withdrawal and Wallet Insurance, along with combo packages offered through Bancassurance and Loyalty Programs. Collectively, these solutions provide comprehensive risk protection for corporates, industries, small and medium enterprises (SMEs), and individuals, ensuring coverage for businesses and personal needs alike.

EFU General's Credit & Suretyship offerings provide insurance-backed guarantees that support businesses in managing cash flows and fulfilling contractual commitments efficiently. These include performance bonds, mobilization advance guarantees, bid/tender guarantees, and retention money guarantees for construction and civil works, supply and installation projects, as well as specialized guarantees covering payment defaults.

TAKAFUL

Takaful is a community-pooling system based on the principles of brotherhood and mutual help wherein participants contribute in a fund to help those who need it most in times of financial difficulties.

THE MODUS OPERANDI OF TAKAFUL

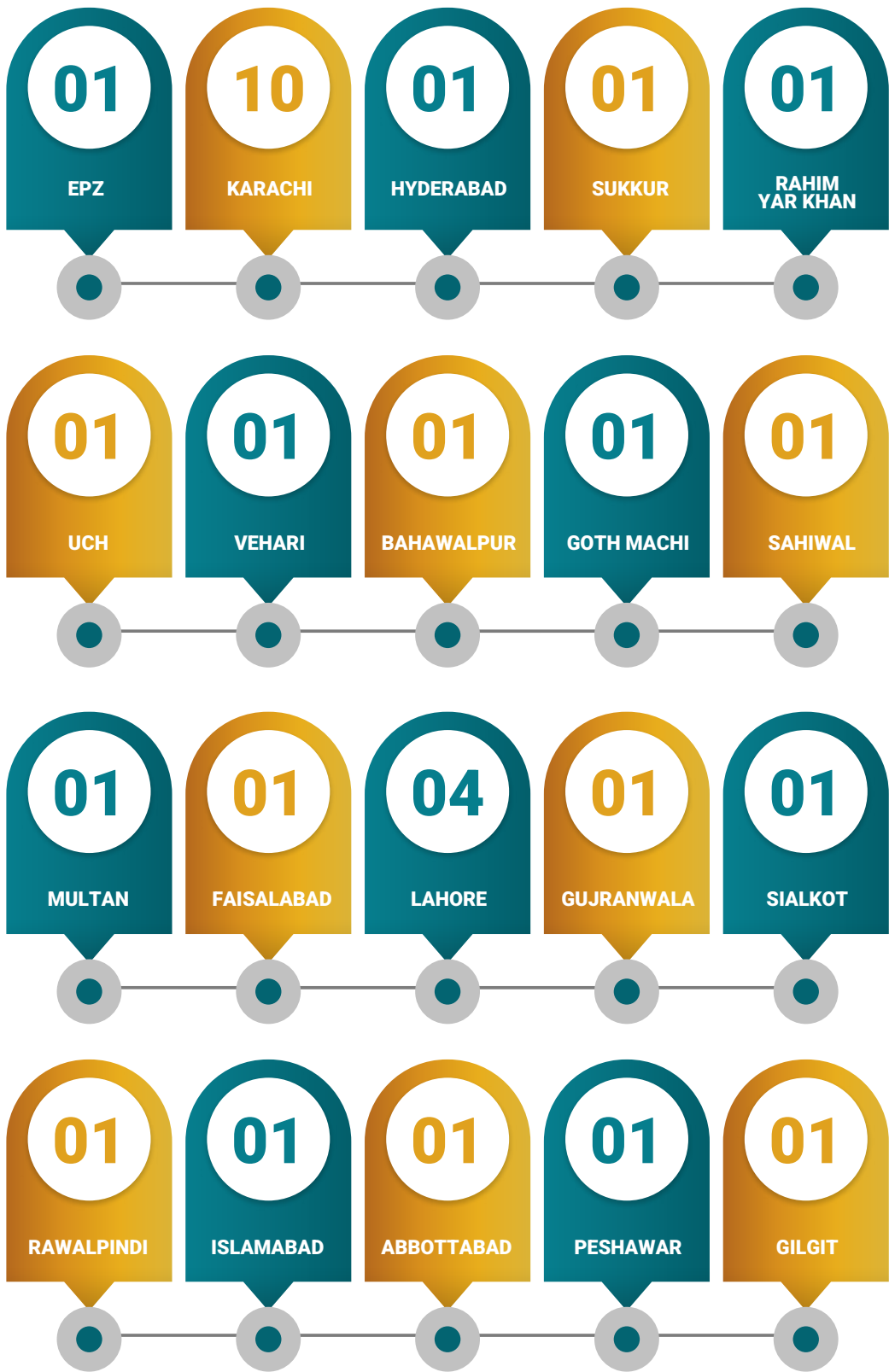
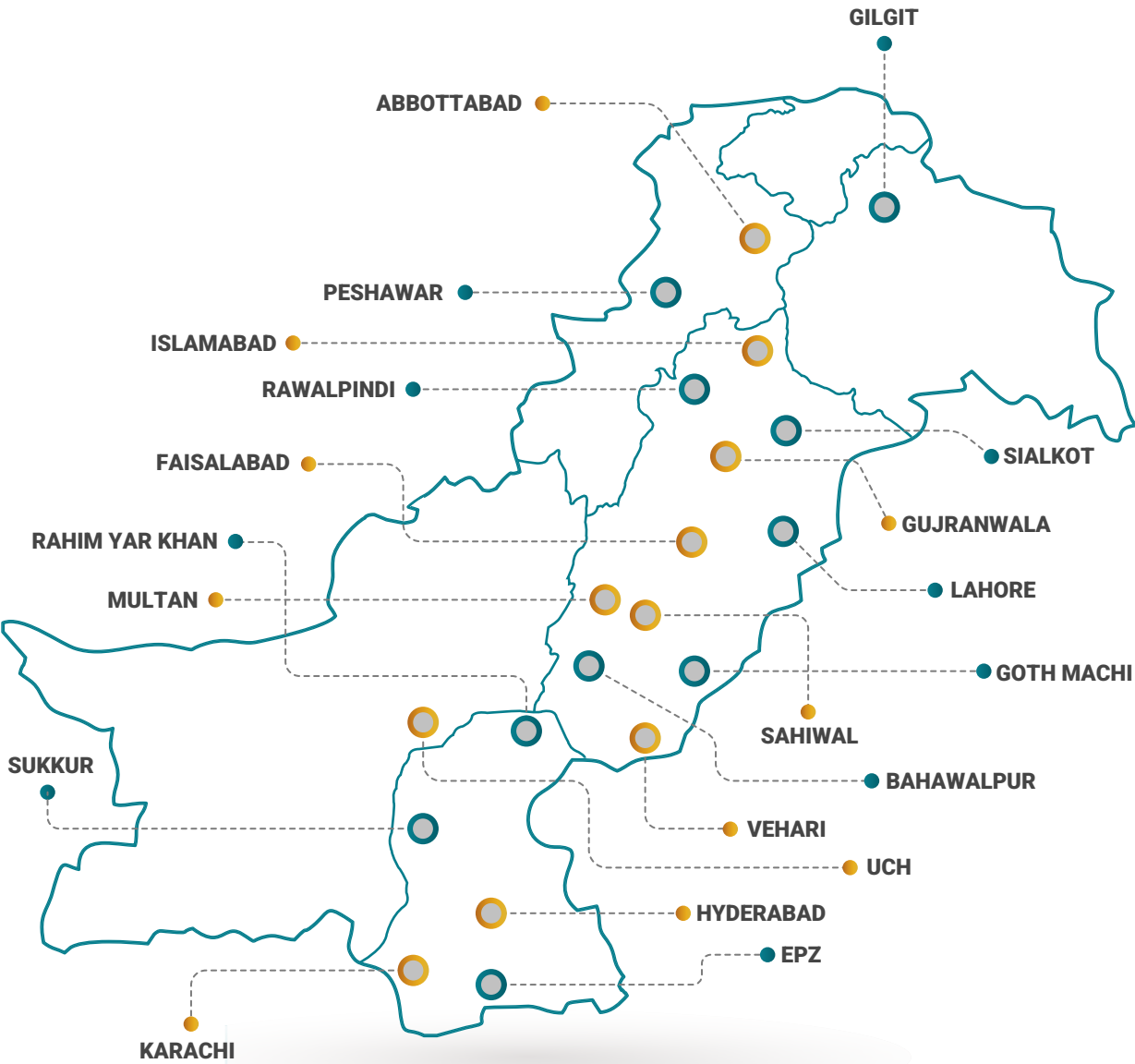
Different models are in practice in different parts of the world. All Takaful models are based on mutuality and Shari'ah concept of Tabbaru. The model used in Pakistan is known as Wakala-Waqf Model. In this model the pool is formed as a Waqf. All the contributions are deposited in this Waqf pool known as 'Participants' Takaful Fund' based on the terms and conditions of Participant Membership Document, claims are paid from the same pool to the participants.

THE ROLE OF THE OPERATOR IN TAKAFUL SYSTEM

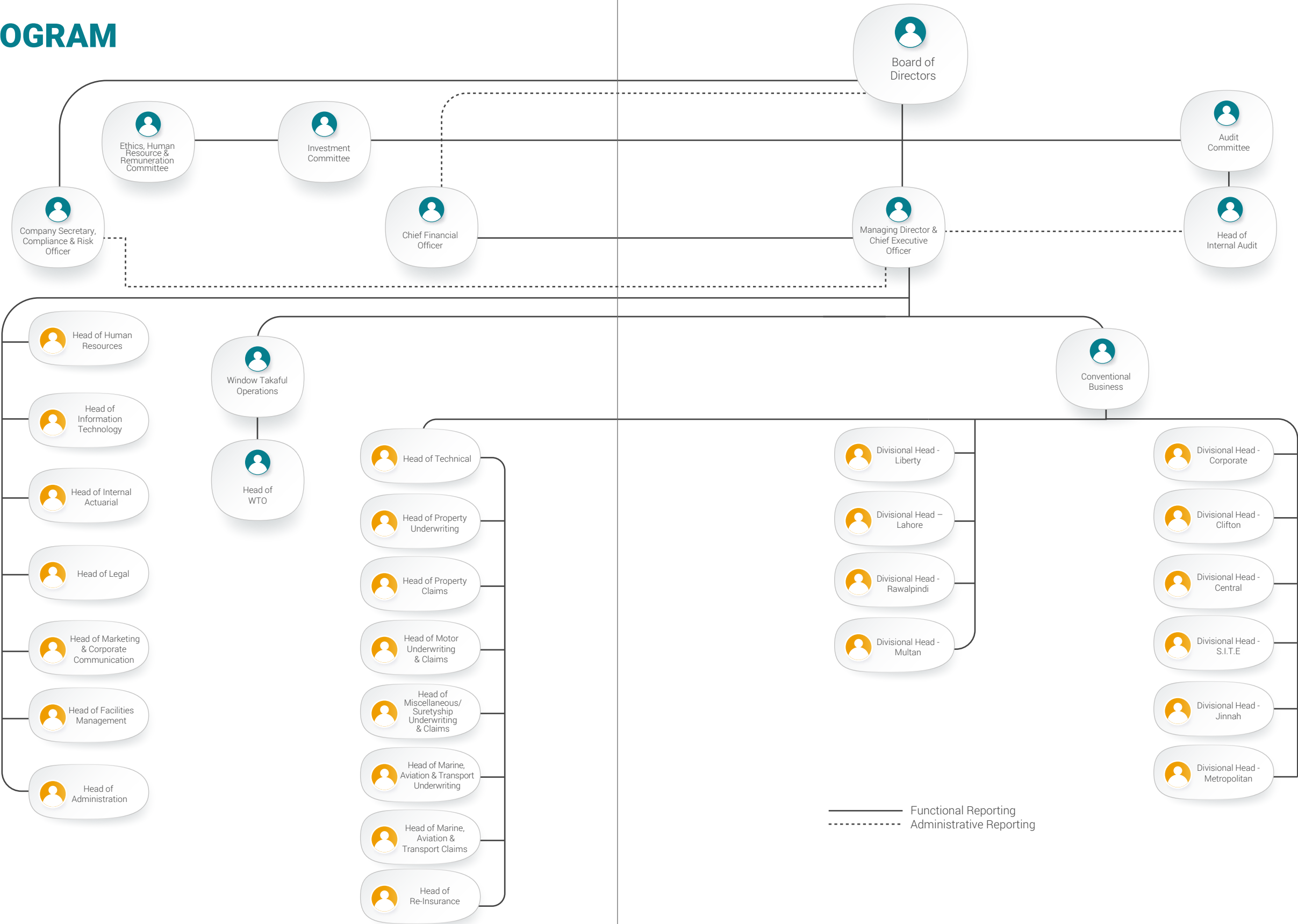
The Operator serves as the Wakeel of the Waqf Fund and charges a 'Wakala fee' for it. The fee is paid from the Waqf Fund. As the Wakeel, the Operator invests the funds available in the Waqf Pool in Shari'ah-compliant investments for profits. Since the Operator is the Modarib and the Waqf Fund is the Rabul-ul-Maal, any profits made from the investments are shared between the two on predefined percentages.



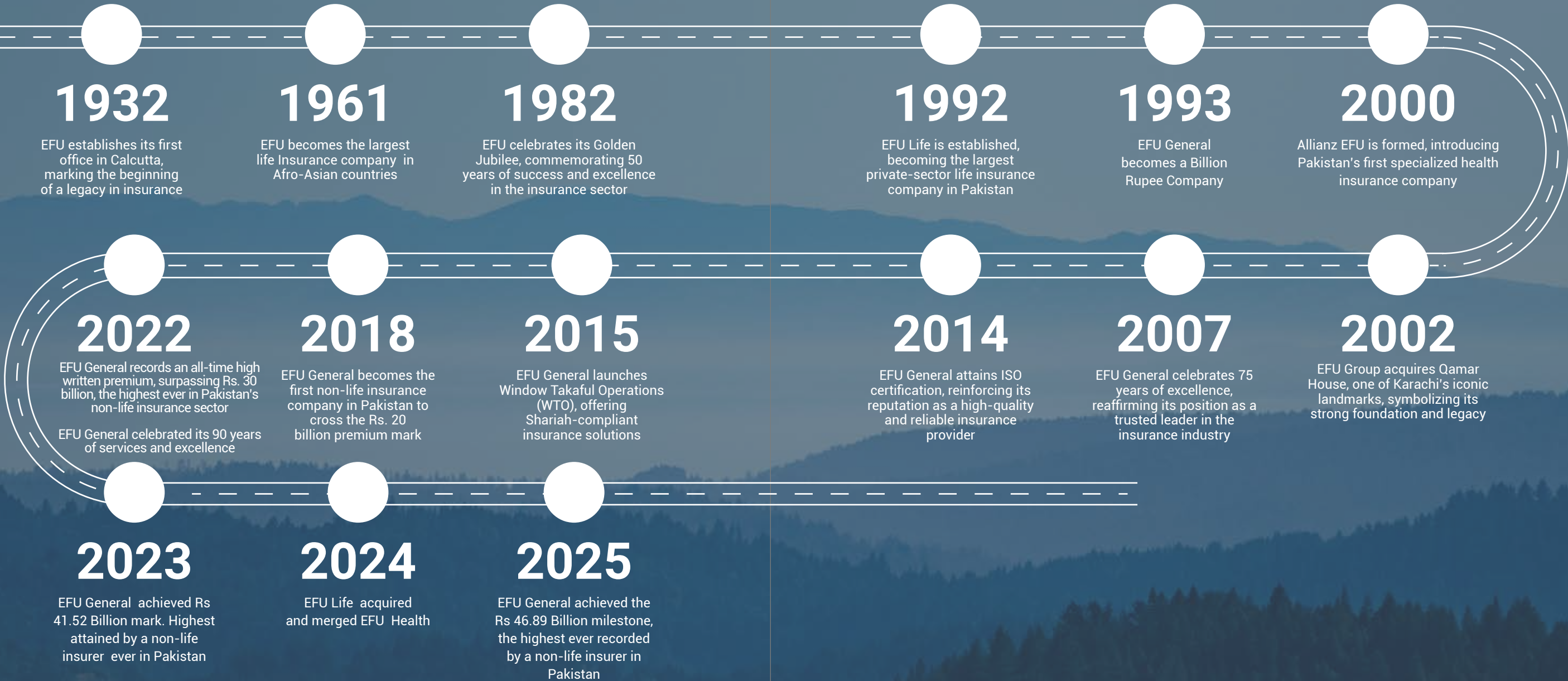
GEOGRAPHICAL PRESENCE



ORGANOGRAM



OUR JOURNEY



PESTEL ANALYSIS



POLITICAL

REGULATORY ENVIRONMENT:
The insurance sector in Pakistan is regulated by the Securities and Exchange Commission of Pakistan (SECP), which continues to strengthen prudential regulations, governance standards, consumer protection, and AML/CFT compliance. Adherence to evolving regulatory requirements remains mandatory and central to EFU General's risk management and compliance framework.

POLITICAL STABILITY:
Pakistan's political environment remains subject to periodic volatility. Changes in government policies, fiscal priorities, and regulatory focus can influence economic stability, investment sentiment, and overall insurance market growth.



ECONOMIC

ECONOMIC GROWTH:
Pakistan's economy continues to face structural challenges, including fiscal constraints, currency pressures, and subdued growth. Economic conditions directly impact insurance demand, claims trends, and affordability of premiums across retail and commercial segments.

INFLATION RATES:
Persistently high inflation has eroded purchasing power, placing pressure on households and businesses. This affects insurance penetration and necessitates careful pricing, cost management, and product structuring by insurers.

UNEMPLOYMENT:
Elevated unemployment levels reduce disposable income and employer-sponsored insurance coverage, particularly affecting motor, health-related covers, and SME insurance demand.



SOCIAL

DEMOGRAPHICS:
Pakistan's large and youthful population presents long-term growth opportunities for general insurance. However, low insurance penetration highlights the need for greater financial literacy, awareness, and accessible insurance solutions.

CULTURAL AND RELIGIOUS CONSIDERATIONS:
Cultural perceptions and religious considerations continue to influence insurance uptake. The availability of Takaful solutions enables insurers to cater to Shariah-sensitive segments and broaden market reach.



TECHNOLOGICAL

DIGITALIZATION:
Rapid adoption of digital platforms, data analytics, and automation is reshaping underwriting, claims management, and customer engagement. Investments in digital transformation enhance operational efficiency, transparency, and customer experience.

CYBERSECURITY:
Increased reliance on digital systems elevates exposure to cyber risks. Strengthening cybersecurity controls, data protection mechanisms, and IT governance remains a key priority to safeguard sensitive customer and corporate information.



ENVIRONMENTAL

CLIMATE CHANGE AND NATURAL DISASTERS:
Pakistan's vulnerability to floods, earthquakes, and extreme weather events significantly impacts claims experience and risk assessment. Insurers must continuously refine catastrophe modeling, underwriting discipline, and reinsurance strategies to maintain resilience.

SUSTAINABILITY PRACTICES:
Growing emphasis on environmental, social, and governance (ESG) considerations is shaping stakeholder expectations. Adoption of sustainable practices supports long-term value creation, enhances reputation, and aligns EFU General with global insurance best practices.



LEGAL

REGULATORY COMPLIANCE:
Adherence to SECP regulations is essential. Non-compliance can result in penalties and damage to reputation.

CONSUMER PROTECTION LAWS:
Laws ensuring fair treatment of policyholders require insurers to maintain transparency in policy terms and claims processes.

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HISTORY OF MAJOR EVENTS

During the Year 2025

During the year, EFU General actively participated in key industry forums, academic collaborations, and strategic partnerships, while also hosting a range of internal initiatives that strengthened employee engagement and organizational culture. From thought leadership platforms and brand partnerships to wellness programs and performance recognitions, these activities reflect our commitment to innovation, inclusivity, and stakeholder connectivity. Collectively, they underscore a dynamic organization focused on growth, collaboration, and long-term value creation.



Promoting teamwork and wellness at the 10th SOP Unified Marathon.



Strengthening team spirit at the Annual Picnic.



Showcasing our innovation focus at the New Age Innovation Conference.



Proudly serving as Insurance Partner of Peshawar Zalmi in the Pakistan Super League.



Representing EFU General at the International Women's Leaders Summit in support of inclusive leadership.



Celebrating Women's Day by honoring the contributions of women across EFU General.



Breast cancer awareness session to promote women's health and well-being.



Collaboration with IVS to encourage creative innovation.



Celebrating 14th August with pride and collective commitment.



Engaging emerging talent at the Habib University Career Fair.



Commemorating South Zone's performance with a trip to Malaysia.



Participating in Insure Impact Conference Pakistan 2025 to support industry advancement.



Recognizing North Zone's achievements with a Malaysia trip.



Celebrating recognition at the SAFA and ICAP Best Corporate Report Awards on team Dinner.



Bringing leadership and North Zone employees together at a regional dinner.

CEO MESSAGE

The year 2025 marked another year of resilience, and transformation for EFU General Insurance Limited.



In an increasingly dynamic economic and regulatory environment, we remained steadfast in our commitment to delivering security, financial protection, and peace of mind to our customers across Pakistan.

Throughout the year, we continued to enhance our service capabilities, strengthen operational excellence, and broaden our product offerings to meet the evolving needs of both individual and corporate clients. Our focus on innovation—especially through digital transformation and customer-centric solutions—has allowed us to serve our policyholders more efficiently, transparently, and responsively.

We are also proud of the trust placed in us by our stakeholders, which reflects the collective efforts of our dedicated employees, strategic partners, and loyal customers. With a solid foundation and a forward-looking vision, we remain committed to developing insurance solutions that are relevant, accessible, and value-driven.

As we look ahead to 2026 and beyond, we are confident in our ability to create sustainable value for all stakeholders and contribute meaningfully to the growth of Pakistan's insurance industry.

I would like to extend my sincere appreciation to our customers, shareholders, SECP, business partners, and colleagues for their continued trust and support.



CODE OF CONDUCT

EFU General Insurance Limited is widely recognized by its customers and stakeholders for its strong ethical values, integrity, and professionalism demonstrated by its officers, employees, and field force. Ethical conduct and compliance with applicable laws and regulations form the foundation of our business and guide all aspects of our operations.

The Company maintains a strict commitment to compliance with statutory, regulatory, and supervisory requirements. Every employee is required to adhere to applicable laws, SECP regulations, internal policies, and established standards of conduct. We strive for excellence in underwriting, risk management, and claims handling to ensure fair treatment and financial protection for our customers.

Our business is conducted with honesty, transparency, and accountability. We promote fair and lawful competition and conduct our affairs responsibly to sustain our leadership position in the insurance market. Customer needs remain central to our decision-making, and we deliver tailored solutions through professional expertise, innovation, and close collaboration with stakeholders.

EFU General maintains zero tolerance for financial crime, fraud, corruption, and unethical practices. Robust internal controls, conflict-of-interest management, and AML/CFT frameworks are in place to safeguard the Company, its customers, and the financial system. Any conflicts are handled with due care and in accordance with established governance mechanisms.

As a responsible corporate citizen, EFU General is committed to creating sustainable long-term value for its customers, employees, shareholders, and society at large. We actively promote diversity, inclusion, merit-based opportunities, and a unified leadership culture that encourages accountability and ethical behavior.

Continuous learning and development are integral to our people strategy. Employees are provided with regular training in technical skills, regulatory compliance, ethical standards, and soft skills to meet evolving business and regulatory requirements. Management Training Officers programs are offered to identify talented resources.

The health, safety, and well-being of our employees remain a priority. We ensure a safe, secure, and conducive working environment through appropriate workplace facilities, health and recreational amenities, fire safety systems, and security measures. Our risk management framework supports workplace safety and operational resilience across all locations.

Through responsible conduct, strong governance, and a people-centric culture, EFU General continues to uphold its values and contribute positively to the insurance industry and the broader economy.

EFU's Culture

We promote and encourage honest and ethical behavior in our business activities and strongly condemn the human rights abuses. Our motto is all employees are members of EFU Family. There is no discrimination amongst employees on the basis of religion, race, ethnicity and gender. We expect employees to observe every individual's personal dignity, privacy and personal rights. We do not tolerate discrimination, personal harassment or insulting behavior. Supervisory leadership and their duty as role models are an essential part of our culture. We expect our managers to show maturity, and take responsibility for their staff members, for achieving business results with integrity. We aim to help each employee realize his or her full potential.

Organizational Ethics

EFU's ethical framework is guided by the following core principles:

- Uncompromising Integrity

Our business is founded on trust. We conduct our affairs ethically, lawfully, and transparently, ensuring compliance with all applicable laws, regulations, and internal policies.

- Clients First

Protecting and preserving our clients' interests is central to everything we do. We uphold our responsibilities to clients with the highest standards of professionalism, fairness, and care.

- Entrepreneurship and Innovation

We attract, develop, and retain talented individuals by fostering a culture of innovation, empowerment, and

accountability. EFU is a merit-based and equal opportunity employer that values initiative and forward-thinking.

- Passion for Performance

We are committed to delivering sustainable financial performance and long-term value creation. Our teams are encouraged to take ownership of results while adhering to ethical standards.

- A Culture of Excellence

Performance at EFU is measured not only by outcomes but also by the quality, discipline, and integrity with which work is carried out.

- A Tradition of Success

While competing assertively in the market, we remain fair, ethical, and customer-focused. Our success is built on service excellence, professionalism, and enduring stakeholder relationships.

02

SHAREHOLDERS' AND INVESTORS' INFORMATION



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 93rd Annual General Meeting of the Shareholders of EFU General Insurance Limited will be held at Auditorium, The Institute of Chartered Accountant of Pakistan (ICAP House), Mauve Area, Service Road South, G 10/4, Islamabad on Monday, March 30, 2026 at 01:00 p.m. and through electronic means to transact the following businesses to:

A. ORDINARY BUSINESSES:

- 1. receive, consider and approve the Audited Financial Statements (Consolidated and Unconsolidated) for the year ended December 31, 2025 together with the Chairman's review, Directors' and Auditors' reports thereon.
- 2. consider and if thought fit to approve the payment of Final Dividend at the rate of 55 % i.e. Rs. 5.50 per share as recommended by the Board of Directors and also approve Interim Cash Dividends of 45 % i.e. Rs. 4.50 per share already paid to the Shareholders for the year ended December 31, 2025.
- 3. appoint Auditors of the Company for a term ending at the conclusion of the next Annual General Meeting and fix their remuneration. The Board of Directors recommends the appointment of KPMG Taseer Hadi & Co., Chartered Accountants as Auditors of the Company for the year 2026.
- 4. transact any other matter with the permission of the chair.

By Order of the Board

AMIN PUNJANI
Company Secretary

Karachi: March 03, 2026

NOTES

1. PARTICIPATION IN AGM THROUGH ELECTRONIC MEANS:

In light of the clarification issued by the Securities and Exchange Commission of Pakistan vide Circular No. 4 of 2021 for ensuring the participation of members in general meeting through electronic means as a regular feature, the Company has also provided the facility for attending the meeting via a video-link to its shareholders. The members are encouraged to participate in the meeting online by following the below guidelines.

The shareholders who intend to attend and participate in the Annual General Meeting through video-link are requested to please provide the below information to the Company Secretary at e-mail address: amin.punjani@efuinsurance.com, at least 24 hours before the time of AGM i.e. latest by 01:00 p.m. on March 29, 2026.

FOLIO / CDC ACCOUNT NO.	NAME	CNIC NO.	CELL NO.	EMAIL ADDRESS

Upon receipt of the above information from shareholders, the Company will send login details to their email address, which will enable them to join the said AGM through video conference on Monday March 30, 2026 at 01: 00 p.m.

- 2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote in respect of him. Form of proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.
- 3. CDC Account holders are advised to follow the following guidelines of the Securities and Exchange Commission of Pakistan.

A. For attending the meeting:

- (i) In case of individuals, the account holder and/or sub-account holder(s) and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies:

- (i) In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
- (v) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- 4. The Share Transfer Books of the Company will be closed from March 19, 2026 to March 30, 2026 (both days inclusive). Transfers received in order by the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 by the close of business on March 18, 2026 will be considered in time to attend and vote at the meeting and for the entitlement of Dividend.
- 5. Members are requested to notify/submit the following, in case of book-entry securities in CDC to respective CDC participants and in case of physical shares, to the Company's Share Registrar, if not earlier provided / notified:

- a. Change in their addresses;
- b. Valid and legible photocopies of Computerized National Identity Card (CNIC) for Individuals and National Tax Number (NTN) both for individual and corporate entities.

6. ELECTRONIC DIVIDEND MANDATE

Under Section 242 of the Companies Act, 2017 it is mandatory for all listed Companies to pay cash dividend to their shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive dividends directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available in the Annual Report and also on the Company's website and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 in case of physical shares.

In case shares are held in CDC, the electronic dividend mandate form must be directly submitted to shareholder's brokers / participant / CDC account services as the case may be.

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

7. SUBMISSION OF VALID CNIC / SNIC (MANDATORY)

As per SECP directives, the dividend warrants of the shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are, therefore, advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Company's Share Registrar at the following address, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 without any further delay.

8. ZAKAT DECLARATION (CZ-50)

Zakat will be deducted from the dividends at source under the Zakat and Usher Laws and will be deposited within the prescribed period with the relevant authority. In case you want to claim exemption, please submit your Zakat declarations under Zakat and Usher Ordinance, 1980 and Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form with the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 or in case of book-entry securities in CDC to respective CDC participants. The shareholders while sending the Zakat Declarations must quote the company name and their respective CDS A/C # or Folio No.

9. DEDUCTION OF WITHHOLDING TAX ON THE AMOUNT OF DIVIDEND

Pursuant to SECP directives vide Circular No.19/2014 dated October 24, 2014, SECP has directed all companies to inform shareholders about changes made in Section 150 of the Income Tax Ordinance, 2001. We hereby advise shareholders as under;

- (i) The Government of Pakistan through the Finance Act, 2019 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for the deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

- a. for filers of income tax returns: 15 %
- b. for non-filers of income tax returns: 30 %

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the shareholders whose names are not entered into the Active Tax Payers 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 into ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @ 30% instead of @15 %.

- (ii) In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax be deducted by the Company based on shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings otherwise each joint-holder shall be presumed to have an equal number of shares.
- (iii) For any query/information, the investors may contact the Company and/or the Share Registrar at the following phone numbers and email address. The contact number of Company Secretary is 021-32313471-90 (Ext: 9444) and email: amin.punjani@efuinsurance.com and the contact numbers of Share Registrar, CDC Share Registrar Services Limited is 0800-23275 & email: info@cdcsrsl.com.
- (iv) The 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 its Share Registrar, CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

10. CONSENT FOR VIDEO CONFERENCING FACILITY

Pursuant to the provision of the Companies Act, 2017 the members can also avail the video conferencing facility. In this regard, please fill in the following and submit it at registered address of the Company at least 10 days before the holding of the annual general meeting. If the Company receives consent from members holding an aggregate 10 % or more shareholding residing at the geographical location to participate in the meeting, the Company will arrange a video conference facility in the city subject to the availability of such facility in that city.

I / We, _____ of _____, being a member of EFU General Insurance Limited holder of _____ ordinary share(s) as per registered folio / CDC no. _____ hereby opt for a video conferencing facility.

11. UNCLAIMED DIVIDEND

As per the provision of Section 244 of the Companies Act 2017, any shares issued or dividend declared by the Company that have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of the shares issued and dividends declared by the Company which have remained due for more than three years were sent to shareholders, uploaded on the Company website and a Final notice was issued in the newspaper. In case, no claim is lodged with the Company in the given time, the Company will deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of the Companies Act, 2017.

12. TRANSMISSION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH QR-ENABLED CODE AND EMAIL:

The Annual Report, including the Financial Statements of the Company, can be viewed using the following QR-enabled code. The same will be shared via email in case an email address is provided by the members. A printed copy of the above referred Annual Report can be provided to members upon request.



13. AVAILABILITY OF AUDITED FINANCIAL STATEMENT ON THE COMPANY'S WEBSITE:

The Annual Report including audited financial statement of the Company for the year ended December 31, 2025 has been made available on the Company's website www.efuinsurance.com which can be viewed using the following link:

<https://efuinsurance.com/conventional/financials/financial-reports.php>

14. REGISTRATION DETAILS OF PHYSICAL SHAREHOLDERS

As per Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to our Share Registrar at their below address immediately to avoid any non-compliance of law or any inconvenience in future:

CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400. Tel. Toll Free: 0800-23275, Email: info@cdcsrsl.com, website: www.cdcsrsl.com

15. PROHIBITION OF DISTRIBUTION OF GIFTS

The Securities and Exchange Commission of Pakistan (the "SECP"), vide S.R.O.452(1)/2025 has strictly prohibited companies from providing gifts or incentives, in lieu of gifts tokens/coupons /lunches/takeaway/packages) in any form or manner, to the shareholders at or in connection with general meetings.

16. CIRCULATION OF NOTICE THROUGH EMAIL

Pursuant to S.R.O. 452(I)/2025, Notice of the AGM shall be circulated to members at their registered email addresses provided to the Company, in accordance with applicable laws.

17. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS:

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021, has advised the listed companies to pursue their such members who still hold shares in physical form, to convert their shares into book entry form.

We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any member/stockbroker of the Pakistan Stock Exchange to open an account in the Central Depository System and to facilitate conversion of physical shares into book-entry form. Members are informed that holding shares in book-entry form has several benefits including but not limited to secure and convenient custody of shares, conveniently tradeable and transferable, no risk of loss, damage or theft, no stamp duty on transfer of shares in book-entry form and hassle-free credit of bonus or right shares.

We once again strongly advise shareholders of the Company, in their best interest, to convert their physical shares into book-entry form at the earliest.

Status of approvals for investment in Associated undertakings:

As required by Regulation No. 4 (2) information under Regulation 3 of the Companies' (investment in associated companies and associated undertakings) Regulations, 2017, the status of approvals is as follows:

- i. total investment approved;

Rs. 1 billion in EFU Life Assurance Limited was approved by the shareholders at Annual General Meeting of the Company held on March 28, 2024 to be invested within a period of three years.
- ii. amount of investment made to date;

The Amount of Rs. 91.65 million has been invested out of Rs. 1 billion as at December 31, 2025.
- iii. reasons for not having made complete investment so far where resolution required it to be implemented in specified time;

The period in which the investment is to be made as approved by the shareholders is up to March 28, 2027. Investment will be on availability of shares at reasonable price.
- iv. and material changes made in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.

Since the date of passing the initial resolution by the shareholders of the Company on March 28, 2024 the shareholders equity of the investee company remained Rs. 10,120 million as at December 31, 2025 and Rs. 9,190 million as at December 31, 2024.

FINANCIAL CALENDAR

ANNOUNCEMENT DATE		ENTITLEMENT DATE
03 MARCH 2026	FINAL DIVIDEND 2025	18 MARCH 2026
28 APRIL 2025	FIRST INTERIM CASH DIVIDEND 2025	05 MAY 2025
27 AUGUST 2025	SECOND INTERIM CASH DIVIDEND 2025	03 SEPTEMBER 2025
29 OCTOBER 2025	THIRD INTERIM CASH DIVIDEND 2025	05 NOVEMBER 2025
30 MARCH 2026	DATE OF ANNUAL GENERAL MEETING / CORPORATE BRIEFING SESSION	30 MARCH 2026
ANNUAL GENERAL MEETING		CORPORATE BRIEFING SESSION

INVESTOR RELATIONS

Access to Reports and Inquiries

Annual Report

Annual Report can be downloaded from the Company's website: www.efuinsurance.com or printed copies can be obtained by writing to:

The Company Secretary

EFU General Insurance Limited
EFU House
M.A. Jinnah Road
Karachi 74000
Pakistan

Quarterly Reports

The Company publishes interim reports at the end of first, second and third quarters of the financial year. The interim reports can be accessed at the website: www.efuinsurance.com; or printed copies can be obtained from the Company Secretary.

Shareholders' enquiries

Shareholders' enquiries about their holding, dividends or share certificates etc. can be directed to Share Registrar at the following address:

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S, Shakra-e-Faisal
Karachi - 74400

Listing on Pakistan Stock Exchange (PSX)

The shares of the Company are listed on the Pakistan Stock Exchange. The symbol code is 'EFUG'.

Annual Report, Financial Statements and Notice of Meeting are sent by e-mail.

If any member intends to receive printed copy of the above, he may provide us to be as to our share Registrar on the Content from available in the Company's website

Investors' Grievance Policy

EFU General Insurance Limited believes that relations with investors are vital for the financial lifeline and substantial growth of the organization. Relations with investors also reflect on the goodwill of the organization. It is therefore imperative to place an efficient and effective mechanism in the organization for providing services to the investors and to re-dress their grievances in accordance with law.

The Company has accordingly provided on its website, the necessary information about the Company, the directors, auditors, share registrars, the financial data for the current period and for the last six years and daily stock update showing the rates of the Company's shares quoted at the Pakistan Stock Exchange.

The Company Secretary is the primary contact on behalf of the Company, whom investors may contact to redress their grievances and resolve their issues.

The management endeavors to investigate and resolve all the complaints and queries of the investors to their utmost satisfaction. An investor who is not satisfied can also approach the Securities & Exchange Commission of Pakistan (SECP) complaint cell through interactive link provided on our website.

Our investor grievance policy is broadly based on the following principles:

- Investors calling us in person, telephone, fax or email are received and their complaints are dealt in timely manner.

- Each investor is treated fairly at all the times.
- Prompt, efficient and fair treatment is given to all the complaints and queries of the investors.

Decisions taken at the last Annual General Meeting held on March 25, 2025

The following matters taken up in the meeting as per agenda were approved unanimously and the decisions taken were implemented in due course:

1. Approval of Audited Accounts (consolidated and unconsolidated) and Reports for the year ended December 31, 2024 together with the Chairman's review, Directors' and Auditors' reports thereon.
2. Approval of Final dividend of Rs. 5.5 per share, in addition to an aggregate amount of Rs. 4.5 per share was paid in three interim dividends for the year 2024 details as under:
 - The First Interim dividend was paid on May 15, 2024.
 - The Second Interim dividend was paid on September 12, 2024.
 - The Third Interim dividend was paid on November 13, 2024.
 - Final dividend was paid to the Shareholders on April 3, 2025.

3. Appointment of KPMG Taseer Hadi & Co., Chartered Accountants, as Auditors for the year 2025.

Presence of Chairman - Audit Committee in the Annual General Meeting

The Chairman of the Audit Committee attended the 92nd Annual General Meeting of the Company.

Steps Taken by the Management to Encourage Minority Shareholders' Participation in General Meetings

The management remains committed to safeguarding the rights of minority shareholders and actively encourages their participation in general meetings to promote transparency, inclusivity, and effective corporate governance.

To facilitate broader engagement, the Company provides timely and comprehensive notices of general meetings along with relevant information to enable informed decision-making. In addition to physical attendance, shareholders are facilitated to participate through video-link and electronic means, where applicable, in accordance with applicable laws and regulatory requirements.

The Company also ensures that shareholders are provided with opportunities to raise questions, seek clarifications, and express their views during general meetings. These measures reflect the Company's ongoing efforts to strengthen shareholder engagement and uphold equitable treatment of all shareholders.

REDRESSAL OF INVESTORS' COMPLAINTS

The Company has established an effective mechanism for the timely redressal of investors' complaints. Investors may communicate their grievances or queries directly to the Company Secretary, who acts as the focal point for investor relations and complaint resolution. Management endeavors to address and resolve all complaints promptly and to the satisfaction

of investors. In cases where an investor remains dissatisfied with the resolution provided, they may also lodge a complaint with the Securities and Exchange Commission of Pakistan (SECP) through its designated complaint handling system, access to which is available via an interactive link on the Company's website.

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

Our approach

The Company recognises that long-term value creation depends on strong, trust-based relationships with stakeholders. We maintain a structured stakeholder engagement framework that promotes timely, transparent communication, supports regulatory compliance, strengthens service quality, and informs decision-making across the organisation.

Stakeholder engagement is embedded in business planning and governance processes, enabling management to identify emerging expectations, respond to concerns, and continuously improve customer experience, operational resilience, and service delivery.

Stakeholder identification and prioritisation

Engagement principles

- Our engagement is guided by the following principles:
- Transparency and responsiveness: clear information, timely responses, and open communication.
- Fairness and inclusivity: engagement across customer segments, regions, and distribution channels.
- Confidentiality and data protection: responsible handling of customer and business information.
- Feedback to action: structured follow-up, corrective actions, and communication of outcomes where appropriate.

Key channels of engagement

Engagement takes place through multiple channels, including:

- customer service and complaints handling mechanisms (including escalation and turnaround monitoring)
- branch and relationship management interactions
- intermediaries (agents/brokers) meetings and training sessions
- digital touchpoints (website, portals, social media, campaign and product communications)
- surveys, renewal/retention conversations, and service quality reviews
- regulatory engagements, inspections, and compliance reporting
- investor/shareholder communications (financial disclosures, briefings, AGM and analyst interactions)

This multi-channel approach reflects market practice among peer insurers, where stakeholders are engaged through periodic reporting, meetings, briefings, and formal grievance channels.

Stakeholder Identification

The Company has identified key stakeholder groups based on their influence on strategy, operations, regulatory compliance, reputation, and long-term value creation, as well as the extent to which the Company's activities impact their interests. Stakeholder mapping is reviewed periodically to reflect changes in the business environment, regulatory requirements, distribution model, and risk profile.

Key stakeholders

Customers (individual and corporate policyholders)

Customers rely on the Company for timely, transparent and reliable insurance protection and claims servicing. Engagement is conducted through customer service channels, claims touchpoints, feedback mechanisms, surveys, branches, and digital interactions.

Shareholders & Investors

Shareholders and investors provide capital and expect disciplined performance, robust governance, risk management and transparent reporting. Engagement is conducted through periodic financial reporting, the annual general meeting, briefings, and investor relations communications.

Regulators & Government Bodies

Key regulators include the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan, and other relevant authorities. Engagement is conducted through statutory filings, regulatory correspondence, inspections, supervisory interactions, and ongoing compliance reporting.

Employees (including staff, field force, and management)

Employees are central to service delivery, underwriting discipline, claims management, and operational resilience. Engagement is conducted through HR policies, training and development, internal communications, employee feedback channels, and grievance/whistleblowing mechanisms.

Business Partners & Reinsurers (banks, fintech partners, brokers, corporate agents, vendors and reinsurers)

Partners support business growth, distribution capability and service delivery. Engagement is

conducted through contractual arrangements, service level expectations, strategic and operational meetings, training, operational dashboards, and joint initiatives.

Communities

Communities are engaged through corporate responsibility, sustainability initiatives, awareness programmes and support activities aligned with the Company's values and social priorities.

Media – The company engages media outlets through press releases and industry conferences.

Frequent interactions help shape public perception, promote brand awareness, and enhance credibility.

Analysts – The Company engages financial analysts through corporate briefing session, investor presentations and periodic updates.

Impact on Company Performance & Value

Effective stakeholder engagement strengthens trust and transparency, supports service excellence, and enhances the Company's ability to anticipate and respond to stakeholder expectations. It also contributes to improved risk management by identifying emerging concerns early, reducing conduct and operational risks, supporting regulatory compliance, and strengthening business continuity.

By proactively managing stakeholder relationships, the Company reinforces its market reputation, sustains long-term partnerships (including distribution and reinsurance support), and enhances competitiveness—supporting stable business performance and long-term value creation.

Steps taken to encourage minority shareholders' participation in general meetings

The Management encourages minority shareholders to participate in general meetings through transparent and timely communication and facilitation measures, including:

Active engagement through formal forums, including the general meeting, to enable shareholders to raise questions and receive responses.

Corporate Briefing Sessions are arranged to update shareholders and analyst on the Company's performance, strategy, and key developments.

Convenience and accessibility measures, including enabling participation through online modes, where applicable, to improve attendance and engagement of shareholders who may be unable to attend in person.

Investors Relations section on the corporate website

The Company maintains an Investor Relations section on its corporate website to facilitate easy access to information for shareholders and the investment community. The section provides, inter alia:

- Annual and interim financial reports and relevant disclosures;
- Historical financial information (including multi-year data/summary);
- Key corporate information, including the name of the auditors and share registrar;
- Investor Relations contact details, including designated contact persons; and
- Shareholder information, including dividend-related information and other relevant updates.

- Issues raised in the last AGM, decisions taken and their implementation status.

The agenda as mentioned in the Notice of Annual General Meeting (AGM) was approved by the shareholder.

Issues raised in the last AGM, decisions taken and their implementation status.

The agenda as mentioned in the Notice of Annual General Meeting (AGM) was approved by the shareholder.

Steps taken by the Board to solicit and understand stakeholders' views

The Board recognises the importance of proactively soliciting and understanding stakeholders' views to support informed decision-making and long-term value creation. During the year, the Company engaged with analysts, shareholders and investors through a Corporate Briefing Session and other structured interactions. Feedback and market perspectives obtained through these engagements were shared with senior management and, where relevant, considered in the Company's strategic planning, risk oversight and disclosure practices.

Brief summary of Analyst/Corporate Briefing conducted during the year

A Corporate Briefing Session was held on March 24, 2025 for analysts, shareholders and investors. The session reinforced the Company's commitment to transparency, sustainable growth and robust risk management. Management provided an overview of EFU Group, including its history and market positioning, and presented key highlights of the Company's performance, covering, inter alia:

- trends in gross/underwritten premium and portfolio mix;
- movement in net premium and underwriting performance drivers;

- claims and loss ratio trends (high-level);
- investment performance and returns, including key portfolio themes; and
- strategic priorities and key risk areas, along with mitigation focus.

A Q&A session was also conducted to address queries from participants and to obtain market feedback on the Company’s performance, outlook and priorities.

Investors’ complaints and grievance redressal

The Company is committed to maintaining a transparent, accessible, and efficient grievance redressal mechanism for investors. Investor complaint/contact details are available on the Company’s website, enabling shareholders to raise concerns and seek clarifications in a timely manner. All complaints received are logged, reviewed, and responded to through a defined escalation process to ensure appropriate resolution.

Corporate benefits to shareholders

The Company remains committed to creating shareholder value through sustainable growth, prudent risk management, and consistent returns. Shareholders benefit through capital/value appreciation driven by business performance and cash returns in the form of dividends, supported by disciplined capital management.

During the year, the Company continued to prioritise shareholder wealth through a balanced approach—maintaining an appropriate level of payouts while retaining sufficient earnings to support future growth, strengthen resilience, and fund strategic priorities.

Dividend track record / shareholder returns:

The Company has consistently declared a 100% i.e. Rs. 10 per share dividend for more than five years.

SHARE PRICE AND VOLUME ANALYSIS

The Company’s Share Prices on the PSX during the year 2025.

MONTHS	HIGHEST	LOWEST	AVERAGE VOLUME
January	128.99	109.11	2,748
February	131.00	113.13	1,500
March	134.90	117.00	1,147
April	130.00	109.00	2,524
May	129.50	103.43	2,189
June	125.00	112.00	2,202
July	143.01	118.00	38,962
August	138.70	113.30	9,746
September	135.89	120.05	11,020
October	129.00	120.00	3,521
November	130.00	121.00	2,392
December	128.00	117.00	4,875

Share Price Sensitivity Analysis

Company news and performance: Company - specific factors that can affect the share price are:

- **Earnings** - News releases on earnings and profits and future estimated earnings develop investor interest in the stock of a Company.
- **Announcement of dividends** - Expected distribution from earning could increase the share prices in expectation of realization of profit on investment.
- **Introduction of a new insurance product** - This could lead to positive earnings growth which in return effects share prices.
- **Industry performance** - Government policies specific to industry like Takaful

business could result in movement of stock price.

- **Investor sentiments** / confidence - Positive economic reforms can attract investors.
- **Economic and other shocks** - An economic outlook could include expectations for inflation, productivity growth, unemployment and balance of trade. Changes around the world can affect both the economy and stock prices. An act of terrorism can also lead to a downturn in economic activity and a fall in stock prices.
- **Change in government policies** - Government policies could be perceived as positive or negative for businesses. The policies may lead to changes in inflation and interest rates, which in turn may affect stock prices.

MARKET CAPITALIZATION

PARTICULARS	2025	2024	2023	2022	2021	2020
Number of Issued Shares (in million)	200	200	200	200	200	200
Market closing price of share as on 31 December (PSX) (Rs.)	121.10	116.03	85.00	92.50	105.00	120.00
Market share Capitalisation (Rs. in million)	24,220	23,206	17,000	18,500	21,000	24,000

A large conference room with a long wooden table, black chairs, and water bottles. The room has a wooden floor and a large screen on the wall. An orange overlay is on the right side of the image.

03 GOVERNANCE

CHAIRMAN'S REVIEW

It indeed gives me immense pleasure in presenting 93rd Annual Report of your Company.

The Written Premium for the year is Rs. 46.89 billion (including Takaful Contribution of Rs. 4.42 billion) as compared to Rs. 41.27 billion (inclusive of Rs. 3.36 billion of takaful contribution) in 2024. The Net Premium Revenue was Rs. 14.51 billion as compared to Rs. 14.55 billion in 2024. The Underwriting profit for the year was Rs. 2.19 billion as compare to the profit of Rs. 2.42 billion last year. Your Company has a market share of 22% and continues to lead the non-life insurance business in the country.

Your Company's profit after tax for the year 2025 was Rs. 5.29 billion as compared to Rs. 3.71 billion in 2024. The earnings per share was Rs. 26.49 as against Rs. 18.56 last year.

The consolidated (inclusive of EFU Life) Written Premium was Rs. 103.82 billion, Net Premium was Rs. 67.01 billion and Total Assets were Rs. 380 billion.

Pakistan's economy demonstrated sustained resilience, with real GDP growth at 2.7% for FY2025, building upon the stabilization in the previous year. The external sector remained strong, with the current account posting an unprecedented surplus, supported by record-high workers' remittances. These positive indicators, coupled with a sharp decline in average inflation to roughly 4.5%, enabled the State Bank of Pakistan (SBP) to maintain its easing cycle, reducing the policy rate from 13% to 10.5% by December 2025.

Your Company is managed by the best insurance professionals, in the industry. As a service provider, the Company continues to invest in people, systems and processes to deliver sustainable, profitable growth and maintain leading position in the country.

I wish to place on record my highest appreciation and gratitude for the support received by the Company from the Securities and Exchange Commission of Pakistan, Pakistan Reinsurance Company Limited and all our reinsurers for their continued support. I would like to thank our field force, officers and staff of the Company for the sincere and dedicated efforts.

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi: March 3, 2026

چیئر مین کی جائزہ رپورٹ

آپ کی کمپنی کی 93 ویں سالانہ رپورٹ پیش کرتے ہوئے میں دلی مسرت محسوس کر رہا ہوں۔ سال کے دوران مجموعی تحریری پریمیم ۴۶.۸۹ بلین روپے رہا (جس میں ۴۴ بلین روپے تکافل کنٹری بیوشن شامل ہے)، جبکہ سال ۲۰۲۴ء میں یہ ۴۱.۲۷ بلین روپے تھا (جس میں ۳.۳۶ بلین روپے تکافل کنٹری بیوشن شامل تھا)۔ خالص پریمیم آمدن ۱۴.۵۱ بلین روپے رہی، جبکہ ۲۰۲۴ء میں یہ ۱۴.۵۵ بلین روپے تھی۔ سال کے لیے زیر تحریر منافع ۲.۱۹ بلین روپے رہا، جبکہ گزشتہ سال یہ منافع ۲.۴۲ بلین روپے تھا۔ آپ کی کمپنی مارکیٹ شیئر ۲۲ فیصد کی حامل ہے اور ملک میں نان۔ لائف انشورنس کاروبار میں سبقت برقرار رکھنے کا سلسلہ جاری ہے۔

آپ کی کمپنی کا سال ۲۰۲۵ کے لیے بعد از ٹیکس منافع ۵.۲۹ بلین روپے رہا، جبکہ ۲۰۲۴ء میں یہ ۳.۷۱ بلین روپے تھا۔ فی حصص آمدن ۲۶.۴۹ روپے رہی، جو گزشتہ سال ۱۸.۵۶ روپے تھی۔

مجموعی بنیادوں پر (بشمول EFU لائف ایسٹورنس لمیٹڈ) تحریری پریمیم ۱۰۳.۸۲ بلین روپے، خالص پریمیم ۶۷.۰۱ بلین روپے اور کل اثاثے ۳۸۰ بلین روپے رہے۔

پاکستان کی معیشت نے مالی سال ۲۰۲۵ میں ۲.۷ فیصد حقیقی جی ڈی پی نمو کے ساتھ استحکام کا تسلسل برقرار رکھا، جو گزشتہ سال کی بہتری پر مبنی تھا۔ بیرونی شعبہ متحکم رہا اور کرنٹ اکاؤنٹ نے ریکارڈ سطح کی ترسیلات زر کی بدولت غیر معمولی سرپلس درج کیا۔ ان مثبت اشاریوں اور اوسط افراط زر میں نمایاں کمی، جو تقریباً ۴ فیصد تک رہی، کے باعث اسٹیٹ بینک آف پاکستان نے اپنی شرح سود میں نرمی کا سلسلہ جاری رکھا اور پالیسی ریٹ کو ۱۳ فیصد سے کم کر کے دسمبر ۲۰۲۵ تک ۱۰.۵ فیصد کر دیا۔

آپ کی کمپنی کا انتظام صنعت میں موجود بہترین انشورنس پروفیشنلز کے پاس ہے۔ بحیثیت سروس فراہم کنندہ کمپنی، افرادی قوت، سسٹمز اور پروسس کے فروغ سے منافع بخش کاروبار کے حصول اور ملک میں اپنی نمایاں و سرکردہ پوزیشن برقرار رکھنے کے ضمن میں اپنی کوششیں جاری رکھے گی۔

میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان ری انشورنس کمپنی لمیٹڈ اور ہمارے تمام ری انشوررز کی جانب سے کمپنی کو حاصل سرپرستی اور تعاون پر ان کی مستقل معاونت پر ان کا تہہ دل سے شکر گزار ہوں اور ان کا مشکور ہوں۔ میں اپنی فیلڈ فورس، آفیسرز اور کمپنی کے اسٹاف کی جانب سے ان کی مخلصانہ کوششوں کا بھی شکر گزار ہوں۔

سیف الدین این۔ زومکاوالا
چیئر مین

کراچی: ۳ مارچ ۲۰۲۶

BOARD OF DIRECTORS



LEFT TO RIGHT
Saad Bhimjee
Asad Nasir
Taher G. Sachak
Kamran Arshad Inam



LEFT TO RIGHT
Saifuddin N. Zoomkawala
Hasanali Abdullah
Tanveer Sultan Moledina
Yasmin Hyder

DIRECTORS' PROFILE



SAIFUDDIN N. ZOOMKAWALA

Chairman

Mr. Saifuddin N. Zoomkawala has been associated with EFU Group since 1964.

He served as Managing Director of EFU General Insurance Ltd. from 1990 till 2011 when he was elected Chairman of the Company. He was also Chairman of EFU Life Assurance Ltd. from 1999 to 2011.

HASANALI ABDULLAH

Vice Chairman

Mr. Hasanali Abdullah is a Chartered Accountant and Certified Director from Pakistan Institute of Corporate Governance (PICG). He is associated with EFU General Insurance Ltd. since 1979 and was Managing Director and Chief Executive of the Company from 2011 to July 2023. He is Director of EFU Life Assurance Ltd., EFU Services (Private) Ltd., Tourism Promotion Services (Pakistan) Limited (owners of Serena Hotels), Honorary Treasurer of Aga Khan Hospital & Medical College Foundation, Member of National Committee of Pakistan Branch of Aga Khan University Foundation Geneva.

He has served on the Boards, Council and Committees of various Aga Khan Development Network institutions from 1976 to 2002. He has been Chairman of Insurance Association of Pakistan for 2008, 2010 – 11 and 2016 – 17, Chairman of Pakistan Insurance Institute 2014 – 15 and from January, 2020 to July, 2020, Director of PICG for 2011, Executive Committee Member of Federation of Pakistan Chambers of Commerce & Industries for 2011 & 2017, Director of Institute of Financial Markets of Pakistan from 2016 to 2022 and Vice President of German – Pakistan Chamber of Commerce & Industry from 2021 to 2022.



KAMRAN ARSHAD INAM

Managing Director & Chief Executive Officer

Mr. Kamran Arshad Inam completed his MBA in Finance from the Institute of Business Administration – IBA in 2001 and completed his BE in Mechanical Engineering from NED in 1996.

Mr. Kamran, started working for ENAR Petrotech in 1996 followed by a stint in Indus Motor. He also worked in Shahbaz Garments who are owned by Midas Safety a Canadian-based group. He was responsible for the gloves and chemical division from Pakistan, Dubai and Sri Lanka and was partially based in all three locations during 1998 to 2003.

He joined EFU in risk management department in 2003 and later on got involved with Property and Engineering department as well. He has been leading the Property and Risk Management department since 2012. He was promoted as Deputy Managing Director (Technical) in 2019 and was responsible for all the technical departments of the Company as well as the branch network across the Country and in December 2021, he was promoted as Joint Managing Director. He became Managing Director in July 2023.

He was elected at IAP's Executive Committee as Vice Chairman in 2019. Prior to this, he had been the head of the Property Committee at the IAP.

He was involved in major infrastructure and industrial projects mainly driven by International Lenders in addition to all number of CPEC and lender driven projects since 2014.

Other Directorship:

- Mahvash and Jahangir Siddiqui Foundation

TAHER G. SACHAK

Director

Mr. Taher G. Sachak is a graduate in Business Studies from Bournemouth University and also has a post-graduate Diploma in Management Studies from Liverpool University.

Following his studies, he joined the British Civil Service and after 5 years decided to pursue a career in life assurance. He held executive positions in major UK Life Assurance Companies, Allied Dunbar, Trident Life and finally Century Life before coming to Pakistan in 1993 to join EFU Life.

He was Chief Executive & Managing Director of EFU Life Assurance Limited from November 1993 to July 2023. He is now the Vice Chairman of EFU Life and is a "Certified Director" from Pakistan Institute of Corporate Governance.



SAAD BHIMJEE

Director

Saad Bhimjee is an Insurance and Risk Management professional with over seventeen years of experience in the Pakistan, Canada and UK insurance industries.

He is the Founder and CEO of QubeRisk, a digital-first insurance provider in Canada. QubeRisk is dedicated to transforming the insurance landscape through technology, automation and data.

Before starting QubeRisk, Saad Bhimjee was a Senior Vice President at Aon, one of the largest global insurance and risk management firms. Prior to that, he worked for United Insurance Brokers (UIB) in London, with regional responsibilities including Middle Eastern and Asian countries, including Pakistan.

Saad holds a Bachelor's degree in Economics from University College London (UCL) and a Master's degree in Insurance & Risk Management from Cass Business School London. He also holds an ACII designation.

Other Directorship:

- Director of JS Bank.

TANVEER SULTAN MOLEDINA

Director

Mr. Tanveer Moledina is a Chartered Accountant from Institute of Chartered Accountant of Pakistan. He has extensive experience of over 30 years in senior financial management positions.

He was Chief Financial Officer and Company Secretary of Merck Group companies including Merck Pakistan (Pvt.) Limited, Merck Pharmaceutical (Pvt.) Limited and Merck Specialties (Pvt.) Limited.

He was previously working in the Middle East in Novartis Saudi Arabia Limited and Saudi Pharmaceuticals Private Limited in the capacity of Chief Financial Officer.



YASMIN HYDER

Director

Ms. Yasmin Hyder has 34 years of global work experience in Marketing, Gender, Trade, Corporate Governance, ESG and Sustainability, Communications and SME development, with both local and international organizations.

She is CEO of New World Concepts, a marketing and management consulting practice based in Karachi, Pakistan. Her passion for women leadership led her to institute the premier annual conference, International Women Leaders Summit and she established the Pakistan Women Entrepreneurs Network for Trade (WE-NET) with collaboration of World Bank Group and Australian Government to foster growth of women SME's as the only national and inclusive representative platform.

Yasmin is a ESG Certified Board Director; Independent Non-Executive Director, EFU General Insurance Ltd; Independent Director, Thardeep Microfinance Foundation; Member, Council of Governors, Pakistan Institute of International Affairs; Certified Business Edge Trainer of IFC World Bank Group; Member United Nations (UNCTAD-ITC's) 20 Global Women Entrepreneurs Trade Mission to Canada; Member Board of Governors, KASB Institute of Information Technology; Member, European Businesswomen Association (FCEM); Pakistan Representative, Monaco Women Leaders Forum; Founding Member, US Pakistan Women's Council; Winner of Rotary International Award to Brazil; Member Women Commission, Pakistan Olympics Association; Chairperson Softball Federation of Pakistan.

She won the Foreign and Commonwealth Office, UK Chevening Award 1992 and acquired a Post Graduate degree from Cardiff Business School, University of Wales, UK (distinction in International Business) after graduation from IBA, Karachi (MBA, Marketing and Finance). She successfully completed the Executive Leadership Course 2019 at Crawford School of Public Policy, Australia National University, Canberra.

ASAD NASIR

Director

Mr. Nasir is the present Chief Executive Officer of Jahangir Siddiqui & Co Ltd. ("JSCL"). Mr. Nasir has more than 25 years of diversified financial services experience including Private Equity, Corporate Finance Advisory, Capital Market Advisory, Transaction Services and Audit. Prior to joining JSCL, Mr. Nasir was Group Head, Ecosystem Development and Sustainable Finance at JS Bank Limited where he had been overseeing a number of strategic projects in the digital banking and green financial services space. Before that he had served as the Chief Investment Officer for JS Private Equity managing over USD 500 million in private equity funds. He had also served as Head, Corporate Finance at JS Global Capital, a leading Pakistani securities brokerage and investment banking firm where he had advised some of Pakistan's leading companies on fundraising, mergers and acquisitions and corporate restructurings. Mr. Nasir had commenced his professional career with Deloitte UK, working as part of the audit & assurance and corporate finance teams.

He is an FCA with the Institute of Chartered Accountant in England and Wales and holds a BSc. (Hons.) in Accounting from the University of Hull.

Other Directorships:

- Jahangir Siddiqui & Co. Ltd.
- TRG Pakistan Limited
- JS International Limited
- Mahvash & Jahangir Siddiqui Foundation
- Knowledge Platform (Private) Limited
- JS Petroleum Limited
- EFU Services Pvt. Ltd
- EFU Life Assurance Limited

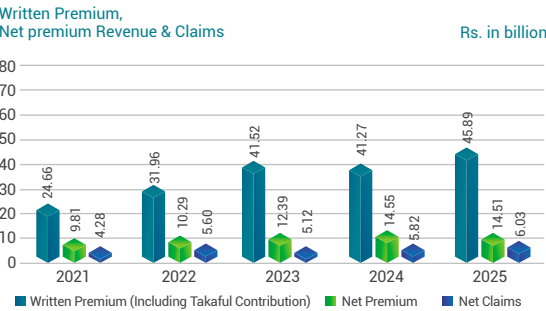
REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

The Directors of your Company are pleased to present the Ninety-Third Annual Report and the Audited Financial Statements of the Company for the year ended December 31, 2025.

Company Overview

Your Company's profit after tax for the year 2025 was Rs. 5.29 billion as compared to Rs. 3.71 billion in 2024. Earnings per share was Rs. 26.49 as against Rs. 18.56 last year.

Your Company's Written Direct Premium and Takaful business was Rs. 46.89 billion (inclusive of Rs. 4.42 billion of Takaful contribution) as compared to Rs. 41.27 billion (inclusive of Rs. 3.36 billion of takaful contribution) in 2024. Net Premium Revenue was Rs. 14.51 billion as compared to Rs. 14.55 billion in 2024.



Economic Review

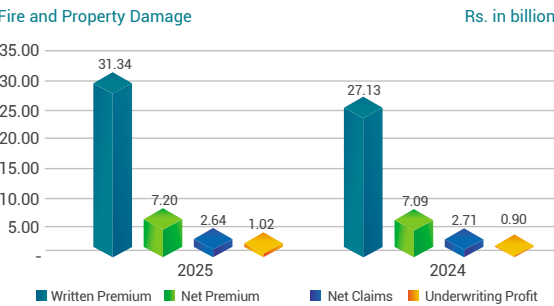
Pakistan's economy demonstrated sustained resilience, with real GDP growth at 2.7% for FY2025, building upon the stabilization in the previous year. The external sector remained strong, with the current account posting an unprecedented surplus, supported by record-high workers' remittances. These positive indicators, coupled with a sharp decline in average inflation to roughly 4.5%, enabled the State Bank of Pakistan (SBP) to maintain its easing cycle, reducing the policy rate from 13% to 10.5% by December 2025.

Segment-wise performance

The segment wise performance was as follows:

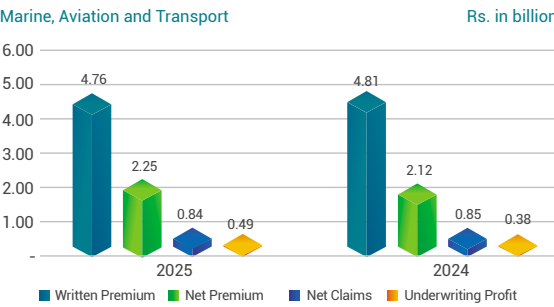
FIRE AND PROPERTY

Written premium increased by 16% to Rs. 31.34 billion compared to Rs. 27.13 billion in 2024. Claims as a percentage of net premium revenue were 37% as compared to 38% in 2024. Underwriting profit for the year was Rs. 1.02 billion as compared to Rs. 0.90 billion in 2024.



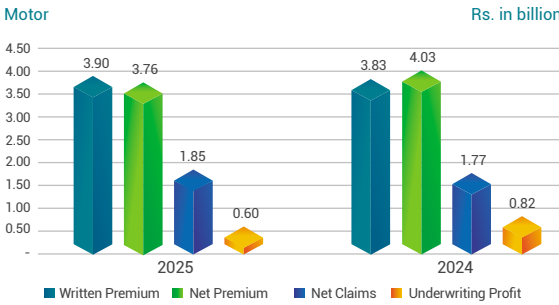
MARINE, AVIATION AND TRANSPORT

Written premium decreased by approximately 1% to Rs. 4.76 billion compared to Rs. 4.81 billion in 2024. Claims as a percentage of net premium revenue were 37% as against 40% in 2024. The underwriting profit was Rs. 0.49 billion compared to Rs. 0.38 billion in 2024.



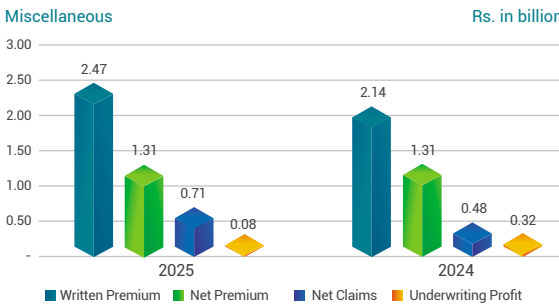
MOTOR

Written premium increased by 2% to Rs. 3.90 billion compared to Rs. 3.83 billion in 2024. Claims as percentage of net premium revenue were 49% as against 44% in 2024. The underwriting profit was Rs. 0.60 billion compared to Rs. 0.82 billion in 2024.



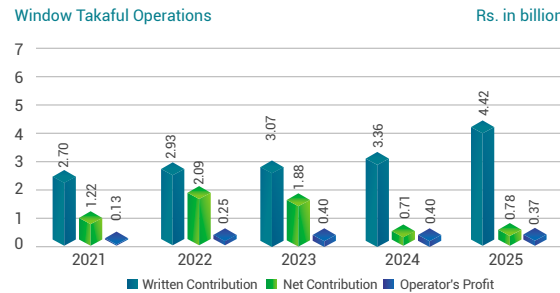
MISCELLANEOUS

Written premium increased by 15% to Rs. 2.47 billion compared to Rs. 2.14 billion in 2024. Claims as a percentage of net premium revenue were 54% as against 37% in 2024. The underwriting profit for the year was Rs. 0.08 billion compared to Rs. 0.32 billion in 2024.



Window Takaful Operations

Written contribution revenue was Rs. 4.42 billion as against Rs. 3.36 billion in the previous year. The net contribution revenue were Rs. 0.78 billion as against to Rs. 0.71 billion in 2024 and profit for Takaful Operator was Rs. 0.37 billion as against Rs. 0.40 billion last year.



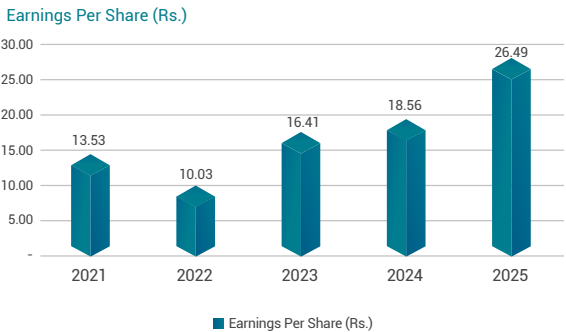
Investment Income

Pakistan Stock Exchange remained volatile during the year. The total investment income for the year was Rs. 5,357 million as against Rs. 2,256 million last year. The dividend income for the year was Rs. 1,397 million as against Rs. 1,106 million last year. Income from debt securities and term deposits was Rs. 1,593 million as compared to Rs. 2,109 million last year. The realized gains on Available for sale and Held for Trading were Rs. 3,219 million.

	2025	2024
Dividend Income	1,397	1,106
Income from debt securities	1,565	2,072
Income from term deposits	28	38
Net realized gains on held for trading investments	803	159
Net realized gains on available-for-sale investments	2,416	(50)
Impairment in value of available-for-sale equity securities	(740)	(1,055)
Investment related expenses	(137)	(15)
Net unrealized gain on held for trading investments	25	1
Net Investment Income	5,357	2,256

Earnings per share

Your Company has reported earnings per share of Rs. 26.49 for the year as compared to Rs. 18.56 in 2024.



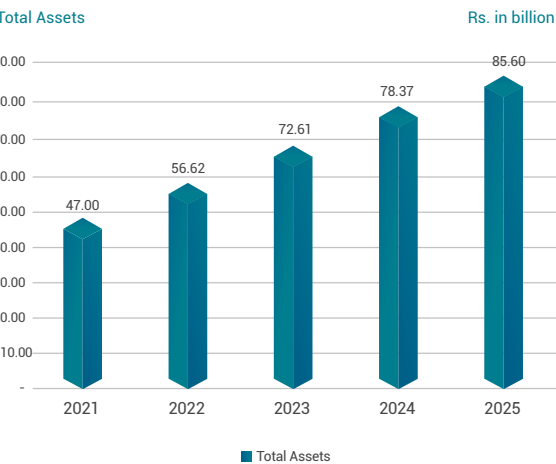
Appropriation and Dividend

The profit after tax was Rs. 5.29 billion as compared to Rs. 3.71 billion in 2024. Your Directors have recommended a final cash dividend of Rs. 5.50 per

share (55%) to the shareholders whose names appear in the share register of the Company at the close of business on March 18, 2026. This cash dividend is in addition to cumulative interim cash dividends of Rs. 4.50 per share (45%) declared during the year.

		Rupees '000
Balance brought forward from previous years		1,105,197
Profit after tax for the year		5,134,263
Other Comprehensive income for the year		(101,627)
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net of tax		13,880
Amount available for appropriation		6,151,713
The Directors recommend that this amount be appropriated in the following manner:		
Interim cash dividends 2025 @ 45% (2024: 45%)	(900,000)	
Proposed final cash dividend 2025 @ 55% (2024: 55%)	(1,100,000)	
Proposed Transfer to general reserve	(3,000,000)	
Carry forward to next year		(5,000,000)
		1,151,713

Company's Assets



Market Share

Based on the available published financial information as of September 30, 2025 and based on the statistics published by the Insurance Association of Pakistan, your Company has market share of 22% of the private sector's non-life insurance business within Pakistan.

Information Technology (IT)

We are pleased to inform that the organization has successfully obtained recertification for ISO/IEC 27001:2022 for its IT Department from Risk Associates in 2025. This updation reaffirms the organization's sustained commitment to maintaining robust information security standards and best practices across its IT operations.

IFS Rating

Your Company is rated by national rating agency i.e. Pakistan Credit Rating Agency. The rating agency has assigned rating of AA++ with stable outlook.

Your Company is also rated by A. M. Best, the world's specialized insurance rating agency and has been assigned Financial Strength Rating of "B" with Stable Outlook.

Human Resource

EFU General Insurance attributes its sustained market leadership to the exceptional quality of its workforce, particularly within the complex and ever-evolving insurance landscape. Recognizing that technical expertise and commercial acumen are the primary drivers of success, the Company remains steadfast in its commitment to investing in human capital and cultivating a caring, high-performance organizational culture.

Our strategic approach to human resource management prioritizes employee empowerment by encouraging active participation in key decision-making processes, including policy development and performance evaluations. This inclusive framework fosters a motivated and engaged workforce, deeply committed to achieving the Company's strategic objectives. To ensure our team remains at the forefront of technological and industry advancements, we continue to invest in comprehensive professional development. Utilizing advanced in-house training facilities across major cities in Pakistan, we offer a blend of technical and soft-skills training that enables our personnel to enhance their professional competence and broaden their career trajectories. During the year, the Company's training programs have benefited 800 employees.

The Company facilitates participation in industry seminars and workshops to refine interpersonal skills and deepen industry knowledge. We remain dedicated to the well-being of our staff by maintaining a family-friendly work environment and promoting regular engagement activities. Our recruitment strategy is meticulously designed to attract top-tier talent, while our integrated theoretical and practical training programs ensure that employee capabilities

are perfectly aligned with our corporate vision. Ultimately, the collective expertise and professionalism of our team serve as the foundation for both individual growth and the continued prosperity of the organization.

Financial assistance and encouragement are provided at all levels to support employees in obtaining internationally recognized professional insurance qualifications, such as ACII from the Chartered Insurance Institute (UK). Currently, we have 21 chartered insurer professionals, 32 qualified engineers, 13 professional accountants and other qualified degree and certificate holders excelling in their respective fields propelling EFU to greater heights.

ISO Certification

EFU General Insurance is an ISO 9001:2015 and ISO/IEC 27001: 2022 certified organization. As part of ISO 9001:2015 and 27001:2022 standards, EFU has established procedures for quality assurance of services, ensuring continual improvement of effectiveness of the quality management system, addressed cybersecurity threats and security breaches by taking required steps to strengthen data security which will help us to gain customer confidence as well as retain customers in terms of data security. In this respect, annual audit conducted by external specialist firms also ensure compliance of regulatory and standard requirements.

Significant Entity's Objectives

Your Company continues to lay emphasis on being the preferred insurer as well as maintaining its prominent position in Pakistan.

Prospects for 2026

As we enter the year 2026, our strategic focus remains on sustaining profitable growth and market leadership. With the interest rate environment becoming more conducive, we aim to capitalize on the anticipated revival in the automobile and construction sectors. For our shareholders, our priority is to optimize underwriting margins through data-driven risk assessment while leveraging our robust investment portfolio to maximize total returns.

Information Sources and Assumptions

The data used for projections and assumptions are based on past trend analysis, future considerations and prevailing market conditions. We also take into account current scenarios and macro-economic indicators while providing future estimates. An in-house team of professionals work together to prepare projections. Realistic measures are taken while preparing forecast and estimates.

Reinsurance

Your Company continues to enjoy very sound reinsurance arrangements with leading international Re-insurers like, Swiss Reinsurance Company, Echo Re, Deutsche Re, Hannover Re, Allianz SE, Korean Reinsurance Company, SCOR Reinsurance Asia Pacific Pte Ltd, and Lloyds of London all of them being A rated.

Related Party Transactions

The Board of Directors approves Company's transactions with Associated Companies / Related parties on quarterly basis. All the transactions with related parties are on arm's length basis in normal course of business. Related party transactions are disclosed at note 35 to the unconsolidated financial statements and note 40 to the consolidated financial statements for the year ended December 31, 2025.

Environmental Protection Measure

The Company is aware of its social responsibility with regards to environmental protection. We encourage healthy environment and we take steps which add value to our credence. The detailed report is annexed.

Directors' Training Program

All the Directors of the Company have acquired certification under the Directors' Training Program. Further, the Chief Executive Officer, Chief Financial Officer, Company Secretary and Chief Internal Auditor have also acquired the certification. Corporate Briefing

Corporate Briefing Session was held for current & prospective shareholders and analysts on March 25, 2025 as per requirement of the Pakistan Stock Exchange. Company's Senior Management including Chief Executive Officer attended the session.

Board Committees

The Company has following Board Committees. No. of meetings of the Board Committees held during the year are mentioned below:

Board Committees	No. of Meetings
Audit Committee	4
Investment Committee	4
Ethics, Human Resources and Remuneration Committee	2

Detail about the Board Committees' are given in the annexure to this report under Governance section. The Chairperson of the Audit Committee and Ethics, Human Resources and Remuneration Committees are Independent Directors.

Management Committees

As part of the Corporate Governance, your Company maintains following five management committees which meet at least once every quarter except Sustainability Committee which meets as per need basis.

- Underwriting Committee,
- Claims Settlement Committee
- Reinsurance and Coinsurance Committee and
- Risk Management and Compliance Committee
- Sustainability Committee

Details about the Committees are given in the annexure to this report under Governance section.

Risks to Business

Business risks and mitigation factors are described in detail in Annual Report.

Corporate Social Responsibility

The Company believes in being a responsible Corporate Citizen. The CSR initiatives taken during the year are detailed in Annual Report.

Relationship with other Stakeholders
Your Company continues to maintain good relationship with

- its employees by providing good working environment and healthy workplace;

- its clients through building trust and providing quality service;
- the business community through honest and fair dealing;
- the government through its contribution to National Ex-chequer and complying with applicable laws; and
- the society through its CSR initiatives.

Annual Evaluation of Board's Performance

The Board has placed a mechanism to evaluate its performance annually as per the best practice. The mechanism is based on the emerging and leading practices in the functioning of the Board and improving its effectiveness. The placement and functioning of the evaluation mechanism is outsourced to the Pakistan Institute of Corporate Governance.

Chief Executive Officer's Performance Review

The Chief Executive Officer ("CEO") is responsible for supervising, leading and effectively managing the strategic and overall affairs of the Company. CEO's performance is monitored and evaluated by the Board and its sub- committee against the objectives and performance targets set by the Board.

Directors' Remuneration Policy

In order to comply with the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, and Articles of Association of the Company, the Board has approved the policy for the remuneration of Chairman, Chief Executive, Non-Executive, Executive and Independent Directors. The Board of Directors has approved fees for Non-executive directors for attending Board and Board Committees meetings. The non-executive Directors, including Independent Directors, are entitled to fee of PKR 200,000/- per Board meeting and PKR 150,000/- per Board Committee meeting. Directors are also entitled to be paid travelling, hotel and other expenses incurred by them for attending the meetings.

For more information on remuneration derived by the Directors and the CEO during the Financial year 2025, please refer note 34 to the Unconsolidated Financial Statements of EFU General annexed to the Annual Report.

Adequacy of Internal Financial Controls

The Board of Directors has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations, and reliable financial reporting.

The independent Internal Audit function of your company regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on a quarterly basis.

Government of Pakistan policies and their impact

The regulatory framework governing the insurance sector in Pakistan continues to evolve to strengthen oversight and promote transparency. In addition to the Microinsurance Rules, 2014, Insurance Rules, 2017, Insurance Ordinance, 2000, Marine Insurance Act, 2018 and the Companies Act, 2017, the Government of Pakistan has introduced the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Regulations, 2020. These regulations require insurers to implement robust transaction-monitoring controls to prevent misuse of insurance products for unlawful activities and to establish comprehensive Customer Due Diligence (CDD) procedures for proper identification and verification of customers. Furthermore, the Corporate Insurance Agents Regulations, 2020 prescribe mandatory code of conduct, certification and training requirements for individuals engaged in insurance agency activities.

Compliance with Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by the regulatory authorities have been duly complied with a statement to this effect is annexed in the report.

Meetings of the Board of Directors

The Directors of your Company were elected at the Extraordinary General Meeting held on July 7, 2023 w.e.f July 10, 2023 for a term of three years expiring on July 9, 2026 except for Mr. Asad Nasir who was appointed on February 1, 2025.

During the year, four meetings of the Board were held, the attendance at the meetings were as under:

S.NO.		Number of meetings attended
1.	Saifuddin N. Zoomkawala (Non-Executive Director)	4
2.	Hasanali Abdullah (Non-Executive Director)	4
3.	Taher G. Sachak (Non-Executive Director)	4
4.	Asad Nasir (Non-Executive Director)	4
5.	Saad Bhimjee (Non-Executive Director)	4
6.	Tanveer Sultan Moledina (Independent Director)	4
7.	Yasmin Hyder (Independent Director)	4
8.	Kamran Arshad Inam (Executive Director)	4

Statement of Ethics and Business Practices

The Board has adopted the Statement of Ethics and Business Practices. All employees are informed of statement and are required to observe these rules of conduct in relation to business and regulations. All employees sign the statement. The statement of Ethics & Business Practices is also placed at the Company's website and employees' portal.

Corporate and Financial Reporting Framework

- a) The financial statements prepared by the management of the Company present fairly its state of affairs the result of its operations, cash flow and changes in equity
- b) Proper books of account have been maintained by the Company
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- d) The International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been

followed in the preparation of financial statements and any departure from there has been adequately disclosed.

- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of Corporate Governance, as detailed in the Regulations.
- h) The key operating and financial data for the last six years is annexed.
- i) Report on gender pay gap data is annexed.
- j) Report on sustainability including Environment, Social and Governance is annexed.
- k) Trading of shares by the Chief Executive, Directors Chief Financial Officer, Company Secretary, executives, their spouses and minor children and substantial shareholders were timely reported to Pakistan Stock Exchange during the year.

Director / Executive	Description	No. of Shares
Ms. Yasmin Hyder - Director	Purchase	14,992
Mr. Amin Punjani - Executive	Purchase	625

- l) The value of investments of provident, gratuity and pension funds based on their un-audited accounts as on 31 December 2025 were:

Provident Fund	Rs. 982 million
Gratuity Fund	Rs. 577 million
Pension Fund	Rs. 268 million

- m) The statement of pattern of shareholding in the Company as at December 31, 2025 is included in the Annual Report.

Subsequent Events

Subsequent to the reporting date, geopolitical tensions in the Middle East escalated significantly following the outbreak of war. As Pakistan Stock Exchange (PSX) reacted to increased uncertainty, equity markets experienced volatility, with declines observed across several scrips and sectors. The Company holds investments in publicly listed companies, that are exposed to market conditions. Preliminary assessments indicate that the fair value of certain investments may have declined after the reporting date. Management continues to monitor the situation closely and is undertaking a detailed assessment of the financial implications.

Auditors

The Board of Directors recommend re-appointment of retiring auditors KPMG Taseer Hadi & Co., Chartered

Accountants as Auditors of the Company to hold the position till next annual general meeting.

Outlook

The outlook for the year 2026 is bolstered by continuation of the IMF's Extended Fund Facility (EFF) and the Government's commitment to privatizing loss-making State-Owned Enterprises (SOEs). The SBP projects GDP growth to rise into the range of 3.75% to 4.75%. While global commodity price volatility and regional trade dynamics present ongoing risks, the buildup of SBP's foreign exchange reserves toward USD 18 billion provides a formidable buffer, ensuring a stable environment for financial services.

Acknowledgments

We would like to thank our valued customers for their continued patronage and support and Pakistan Reinsurance Company Limited, the Securities and Exchange Commission of Pakistan, and the State Bank of Pakistan for their guidance and assistance. It is a matter of deep gratification for your Directors to place on record their appreciation of the efforts made by officers, field force and staff who had contributed to the growth of the Company and the continued success of its operations.

TAHER G. SACHAK Director	HASANALI ABDULLAH Director	KAMRAN ARSHAD INAM Managing Director & Chief Executive Officer	SAIFUDDIN N. ZOOMKAWALA Chairman
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MARCH 3, 2026

اظہار تشکر:

ہم اپنے معزز صارفین مسلسل سرپرستی اور حمایت کے لئے ان کا شکریہ ادا کرنا چاہیں گے جبکہ پاکستان ری انشورنس کمپنی لمیٹڈ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی جانب سے ان کی رہنمائی اور معاونت پر بھی شکر گزار ہیں۔

آپ کے ڈائریکٹرز تہہ دل سے یہ امر قلمبند کرنا چاہتے ہیں کہ ہمارے آفیسرز، فیلڈ فورس اور دیگر اسٹاف نے نہایت جانفشانی سے کمپنی کی ترقی کے لئے محنت کی ہے اور کاروبار کے اضافے اور کامیابیوں کے تسلسل کو برقرار رکھنے میں مثالی کردار ادا کیا ہے۔

ڈ۔ پراویڈنٹ، گریجویٹ اور پنشن فنڈز کی سرمایہ کاریوں کی مالیت ۳۱ دسمبر ۲۰۲۵ کے مطابق ان کے غیر آڈٹ شدہ حسابات پر مبنی ہیں، ان کی تفصیل یہ ہے:

پراویڈنٹ فنڈ	۹۸۲ ملین روپے
گریجویٹ فنڈ	۵۷۷ ملین روپے
پنشن فنڈ	۲۶۸ ملین روپے

ڈ۔ کمپنی میں ۳۱ دسمبر ۲۰۲۵ کو شیئر ہونڈنگ کی جو صورتحال تھی اس کا اسٹیٹمنٹ رپورٹ میں شامل ہے۔

بعد ازاں پیش آنے والے واقعات:

تاریخ رپورٹ کے بعد مشرق وسطیٰ میں جنگ کے آغاز کے باعث خطے میں جغرافیائی سیاسی کشیدگی میں نمایاں اضافہ ہوا۔ اس صورتحال کے اثرات پاکستان اسٹاک ایکسچینج (PSX) پر بھی دیکھنے میں آئے، جہاں غیر یقینی صورتحال کے باعث ایکویٹی مارکیٹ میں اتار چڑھاؤ پیدا ہوا اور مختلف حصص اور شعبوں میں کمی دیکھی گئی۔ کمپنی کی سرمایہ کاری بعض ایسی فہرست شدہ کمپنیوں میں ہے جو براہ راست مارکیٹ کی صورتحال سے متاثر ہوتی ہیں۔ ابتدائی جائزوں سے اندازہ ہوتا ہے کہ رپورٹنگ کی تاریخ کے بعد کچھ سرمایہ کاریوں کی منصفانہ مالیت میں کمی آسکتی ہے۔ انتظامیہ اس صورتحال پر مسلسل نظر رکھے ہوئے ہے اور ممکنہ مالی اثرات کا تفصیلی جائزہ لیا جا رہا ہے۔

آڈیٹرز:

بورڈ آف ڈائریکٹرز کمپنی کے ریٹائر ہونے والے آڈیٹرز کے پی ایم جی تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کرتا ہے، تاکہ وہ اگلی سالانہ جنرل میٹنگ تک آڈیٹر کے طور پر خدمات انجام دیں۔

مستقبل کا جائزہ:

سال ۲۰۲۶ کے لیے مستقبل کے جائزہ کو بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ایکسٹینڈڈ فنڈ فیسیلیٹی (ای ایف ایف) پروگرام کے تسلسل اور حکومت کی جانب سے خسارے میں چلنے والے سرکاری اداروں (ایس او ایف) کی نجکاری کے عزم سے تقویت ملنے کی توقع ہے۔ اسٹیٹ بینک آف پاکستان کے مطابق جی ڈی پی کی شرح نمو ۳.۷۵ فیصد سے ۴.۷۵ فیصد کے درمیان رہنے کا امکان ہے۔ اگرچہ عالمی سطح پر اشیاء کی قیمتوں میں اتار چڑھاؤ اور علاقائی تجارتی صورتحال سے متعلق خطرات موجود ہیں، تاہم اسٹیٹ بینک کے زرمبادلہ کے ذخائر کا تقریباً ۱۸ بلین امریکی ڈالر تک بڑھنا مالیاتی خدمات کے شعبے کے لیے ایک مستحکم معاشی ماحول فراہم کرنے میں معاون ثابت ہوگا۔

سیف الدین این ذومکا والا
چیئر مین

کامران ارشد انعام
منیجنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

ڈائریکٹر

ڈائریکٹر

۳ مارچ ۲۰۲۶

ضابطہ اخلاق اور کاروباری طریقہ کار:

بورڈ نے ضابطہ اخلاق اور کاروباری طریقہ کار کا بیانیہ اپنایا ہے۔ تمام ملازمین کو اس بیانیے سے آگاہ کیا گیا ہے اور ان کے لئے ضروری ہے کہ وہ کاروباری اور قواعد و ضوابط سے متعلق ضابطہ اخلاق اور کاروبار کے طریقہ کار اور قواعد پر عملدرآمد کریں۔ ملازمین سالانہ بنیاد پر اس بیانیے پر دستخط کرتے ہیں۔ ضابطہ اخلاق اور کاروباری طریقہ کار کا اسٹیٹمنٹ کمپنی کی ویب سائٹ اور ملازمین کے پورٹل پر بھی درج کر دیا گیا ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے اس کی تمام معلومات کو صاف و شفاف انداز میں واضح کرنے کے ساتھ اس کے سرگرمیوں کے نتائج، نقد کی آمد و رفت اور ایکویٹی میں تبدیلیاں شامل ہیں۔
- اکاؤنٹس کی کتابیں کمپنی کی جانب سے قواعد و ضوابط کے مطابق تیار کی گئی ہیں۔
- موزوں اکاؤنٹنگ پالیسیز پر مالیاتی گوشوارے اور اکاؤنٹنگ تخمینہ جات کی تیاری کے لئے مستقل اپنائی جاتی ہیں جو موزوں اور محتاط اندازوں پر منحصر ہوتی ہیں۔
- انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) پر، جیسا کہ پاکستان میں نافذ العمل ہے، مالیاتی اسٹیٹمنٹ کی تیاری کی جاتی ہے اور کہیں اس سے انحراف کیا گیا ہو تو اس کو واضح طور پر ظاہر کر دیا جاتا ہے۔
- داخلی کنٹرول کا نظام مستحکم طور پر ترتیب دیا گیا ہے اور موثر طور پر عملدرآمد کے ساتھ اس کی نگرانی بھی کی جاتی ہے۔
- کمپنی کی اس صلاحیت پر کسی قسم کے شکوک و شبہات نہیں کہ یہ چلتے رہنے والا ادارہ ہے۔
- کارپوریٹ گورننس کے بہترین طریقہ کار سے جیسا کہ لسٹنگ ریگولیشنز میں درج ہے کوئی قابل اثر اندازی انحراف نہیں کیا گیا۔
- گذشتہ ۶ سالوں کے نمایاں آپریٹنگ اور فنانشل اعداد و شمار منسلک ہیں۔
- تنوع، مساوات اور شمولیت کے حوالے سے تفصیلی رپورٹ، بشمول جینڈر پے گیپ ڈیٹا، ضمیمہ میں شامل ہے۔
- انوائرنمنٹ، سوشل اینڈ گورننس۔ ای ایس جی سے متعلق تفصیلی رپورٹ بھی ضمیمہ میں شامل ہے۔
- چیف ایگزیکٹو، ڈائریکٹرز، چیف فنانشل آفیسر، کمپنی سیکریٹری، ایگزیکٹوز، ان کے شریک حیات و نابالغ بچوں سمیت دیگر شیئر ہولڈرز کی جانب سے شیئرز کی خرید و فروخت کے بارے میں سال کے دوران پاکستان اسٹاک ایکسچینج کو بروقت مطلع کر دیا گیا تھا۔

ڈائریکٹر کا نام	تفصیل	شیئرز کی تعداد
محترمہ یاسمین حیدر	خریدے	۱۴,۹۹۲
ایگزیکٹو کا نام	تفصیل	شیئرز کی تعداد
محترم امین پنجابی	خریدے	۲۳۵

کوڈ آف کارپوریٹ گورننس پر عملدرآمد:

ریگولیٹری اتھارٹیز کی جانب سے جاری شدہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کو پورا کیا گیا ہے۔ اس رپورٹ میں اس مفہوم کا ایک بیان شامل ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس:

آپ کی کمپنی کے ڈائریکٹرز کا انتخاب ۷ جولائی ۲۰۲۳ کو ہونے والی ایکسٹرا آرڈینری جنرل میٹنگ میں کیا گیا تھا، اور ان کی مدت ملازمت ۱۰ جولائی ۲۰۲۳ سے شروع ہوئی جو ۹ جولائی ۲۰۲۶ تک جاری رہے گی، سوائے جناب اسد ناصر کے جن کا تقرر یکم فروری ۲۰۲۵ کو کیا گیا تھا۔

سال کے دوران بورڈ کے چار اجلاس منعقد ہوئے، جن میں ڈائریکٹرز کی حاضری کی تفصیل درج ذیل ہے:

نمبر شمار	ڈائریکٹرز کے نام	شرکت کردہ اجلاس کی تعداد
۱	سیف الدین این۔ زومکا والا (نان۔ ایگزیکٹو ڈائریکٹر)	۴
۲	حسن علی عبداللہ (نان۔ ایگزیکٹو ڈائریکٹر)	۴
۳	طاہر جی۔ ساچک (نان۔ ایگزیکٹو ڈائریکٹر)	۴
۴	اسد ناصر (نان۔ ایگزیکٹو ڈائریکٹر)	۴
۵	سعد بھیم جی (نان۔ ایگزیکٹو ڈائریکٹر)	۴
۶	تنویر سلطان مولیدینہ (انڈیپنڈنٹ ڈائریکٹر)	۴
۷	یاسمین حیدر (انڈیپنڈنٹ ڈائریکٹر)	۴
۸	کامران ارشد انعام (ایگزیکٹو ڈائریکٹر)	۴

ڈائریکٹرز کے معاوضہ کی پالیسی:

کمپنیز ایکٹ ۲۰۱۷ء، سسٹم کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۹۱۰۲، اور کمپنی کے آرٹیکلز آف ایسوسی ایشن کی تعمیل میں، بورڈ نے چیئرمین، چیف ایگزیکٹو، نان ایگزیکٹو، ایگزیکٹو اور آزاد ڈائریکٹرز کے معاوضے کے لیے پالیسی کی منظوری دی ہے۔ بورڈ آف ڈائریکٹرز نے نان ایگزیکٹو ڈائریکٹرز کے لیے بورڈ اور بورڈ کمیٹی کے اجلاسوں میں شرکت کے عوض فیس کی منظوری دی ہے۔ نان ایگزیکٹو ڈائریکٹرز، بشمول آزاد ڈائریکٹرز، کو فی بورڈ اجلاس ۲۰۰،۰۰۰ روپے اور فی بورڈ کمیٹی اجلاس ۱۵۰،۰۰۰ روپے فیس ملے گی۔ اس کے علاوہ، ڈائریکٹرز کو اجلاسوں میں شرکت کے لیے ہونے والے سفری، ہوٹل اور دیگر اخراجات کی ادائیگی بھی کی جائے گی۔

مالی سال ۲۰۲۵ کے دوران ڈائریکٹرز اور سی ای او کو ملنے والے معاوضے کی مزید تفصیلات کے لیے سالانہ رپورٹ میں منسلک ای ایف یو جنرل کے غیر مجتمع مالیاتی گوشواروں کے نوٹ ۳۴ کا حوالہ دیا جاسکتا ہے۔

اندرونی مالیاتی کنٹرولز کی مناسبت:

بورڈ آف ڈائریکٹرز نے کمپنی کے اثاثہ جات کے تحفظ، تمام تر آپریشنز کو موثر اور فعال رکھنے کے ساتھ مروجہ قوانین اور مستند مالیاتی رپورٹنگ کے قواعد پر عملدرآمد کو یقینی بنانے کیلئے اندرونی مالیاتی کنٹرولز کا ایک موثر نظام وضع کر رکھا ہے۔

آپ کی کمپنی کے خود مختار انٹرئل آڈٹ کے امور کا شعبہ باقاعدگی سے مالیاتی کنٹرول پر عملدرآمد اور ان کی نگرانی کے معاملات کو دیکھتا ہے جبکہ آڈٹ کمیٹی سہ ماہی بنیاد پر انٹرئل کنٹرول فریم ورک اور مالیاتی حسابات کے موثر ہونے کا جائزہ لیتی ہے۔

حکومت پاکستان کی پالیسیاں اور ان کے اثرات:

حکومت پاکستان نے سیاسی، سماجی اور اقتصادی نظم و نسق کے لیے مختلف ایکٹس، آرڈیننس، قواعد اور ضوابط نافذ کیے ہیں۔ ان میں مائیکرو انشورنس رولز ۲۰۱۴، انشورنس رولز ۲۰۱۷ء، انشورنس آرڈیننس ۲۰۰۰، دی میرین انشورنس ایکٹ ۲۰۱۸، اور کمپنیز ایکٹ ۲۰۱۷ء شامل ہیں۔ مزید برآں، حکومت پاکستان نے اینٹی منی لانڈرنگ اور فنائنگ آف ٹیرازم (اے ایم ایل/سی ایف ٹی) ریگولیشنز ۲۰۲۰ بھی نافذ کیے ہیں، جو نہ صرف مناسب لین دین کی

نگرانی کے اقدامات کو یقینی بناتے ہیں بلکہ انشورنس مصنوعات کو غیر قانونی سرگرمیوں کے لیے استعمال ہونے سے بھی روکتے ہیں۔ یہ ضوابط انشوررز کو اپنے اے ایم ایل/سی ایف ٹی پروگرامز میں مناسب کسٹمر ڈیوڈ پلیننس (سی ڈی ڈی) اقدامات شامل کرنے کا بھی تقاضا کرتے ہیں تاکہ صارفین کی شناخت کی تصدیق کی جاسکے۔ اس کے علاوہ، کارپوریٹ انشورنس ایجنٹس ریگولیشنز ۲۰۲۰ کے تحت، کسی بھی شخص کے لیے انشورنس ایجنٹ کے طور پر کام کرنے کے لیے ضابطہ اخلاق، سرٹیفیکیشن، اور تربیت کی ضروریات پر عمل کرنا لازم ہے۔

کمپنیوں کے بارے میں تفصیلات مثلاً ممبران کے نام، منعقدہ اجلاسوں کی تعداد، گورننس سیکشن کے تحت اس رپورٹ سے منسلک ضمیمے میں دیئے گئے ہیں۔

کاروبار کے لئے خطرات:

کاروبار میں ممکنہ طور پر پیش آنے والے خطرات اور ان سے منسلک عناصر کی تفصیل سے وضاحت اس سالانہ رپورٹ میں درج ہیں۔

کارپوریٹ سماجی ذمہ داری (CSR)

کمپنی ایک سماجی طور پر ذمہ دار ادارہ ہونے پر یقین رکھتی ہے۔ سال بھر کے دوران کی جانے والی سی ایس آر اقدامات کی تفصیلات سالانہ رپورٹ میں درج ہیں۔

اسٹیک ہولڈرز کے ساتھ مضبوط تعلقات:

آپ کی کمپنی اپنے اسٹیک ہولڈرز کے ساتھ پائیدار اور مثبت تعلقات برقرار رکھنے کے لیے پرعزم ہے:

- ☆ ملازمین کے ساتھ بہتر کام کے ماحول اور صحت مند کام کی جگہ کی فراہمی کے ذریعے ان کی فلاح و بہبود کو یقینی بنایا جاتا ہے۔
- ☆ کسٹمرز کے ساتھ اعتماد کی بنیاد پر معیاری اور قابل بھروسہ خدمات فراہم کر کے طویل المدتی تعلقات استوار کیے جاتے ہیں۔
- ☆ کاروباری برادری کے ساتھ دیانت داری، شفافیت، اور منصفانہ کاروباری اصولوں کو اپنایا جاتا ہے۔
- ☆ حکومت کے ساتھ قومی معیشت میں مؤثر کردار ادا کرنے اور تمام قانونی و ضابطہ اخلاقی تقاضوں کی پاسداری کے ذریعے تعاون کیا جاتا ہے۔
- ☆ معاشرے کے ساتھ کارپوریٹ سماجی ذمہ داری (سی ایس آر) کے تحت فلاحی سرگرمیوں میں حصہ لے کر مثبت کردار ادا کیا جاتا ہے۔

بورڈ کی کارکردگی کا سالانہ جائزہ و جانچ:

بورڈ نے اپنی سالانہ کارکردگی کی جانچ کیلئے ایک میکنزم تیار کر رکھا ہے جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت ضروری ہے۔ طریقہ کار کے امور کے بارے میں نئے نئے اور نمایاں رجحانات اور اس کی کارکردگی کو بہتر بنانے پر مبنی ہے۔ جانچ پڑتال کے طریقہ کار کی تشکیل اور امور کی انجام دہی پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کے ذریعے آڈٹ سوسائٹی کی جاتی ہے۔

چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ:

چیف ایگزیکٹو آفیسر (سی ای او) کمپنی کی حکمت عملی اور مجموعی امور کی نگرانی، قیادت اور مؤثر انتظام کے ذمہ دار ہیں۔ بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹی سی ای او کی کارکردگی کا جائزہ لیتی ہے اور اغراض و مقاصد اور کارکردگی کے اہداف کے تحت بورڈ کے ذریعے جانچی جاتی ہے۔

ڈائریکٹرز ٹریننگ پروگرام:

کمپنی کے تمام ڈائریکٹرز نے ڈائریکٹرز کے تربیتی پروگرام کے تحت سرٹیفکیشن حاصل کر رکھی ہے۔ اس کے علاوہ، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور کمپنی سیکریٹری نے بھی یہ سرٹیفکیشن حاصل کر لی ہے۔

کارپوریٹ بریفنگ:

حصص داران اور تجزیہ کاروں کیلئے کارپوریٹ بریفنگ سیشن کا انعقاد پاکستان اسٹاک ایکسچینج کی شرائط کے مطابق ۲۵ مارچ ۲۰۲۵ کو کیا گیا۔ کمپنی کی سینئر انتظامیہ اور حصص داران نے سیشن میں شرکت کی۔

بورڈ کمیٹیاں:

کمپنی کی بورڈ کمیٹیاں درج ذیل ہیں۔ سال کے دوران منعقد ہونے والے بورڈ کمیٹیوں کے اجلاسوں کی تعداد ذیل میں درج ہے:

بورڈ کمیٹیز	اجلاس کی تعداد
آڈٹ کمیٹی	۴
انویسٹمنٹ کمیٹی	۴
اتھکس، ہیومن ریسورسز اینڈ ری میونریشن کمیٹی	۲

بورڈ کی کمیٹیوں کے بارے میں تفصیلات اس رپورٹ سے منسلک ضمیمہ میں گورننس سیکشن کے تحت دی گئی ہے۔ آڈٹ کمیٹی اور اتھکس، ہیومن ریسورسز اینڈ ری میونریشن کمیٹی کے چیئرمین انڈیپنڈنٹ ڈائریکٹرز ہیں۔

مینجمنٹ کمیٹیاں:

کارپوریٹ گورننس کے حصے کے طور پر آپ کی کمپنی نے درج ذیل پانچ مینجمنٹ کمیٹیاں قائم کر رکھی ہیں جو کوڈ کی شرائط کے مطابق ہر ایک سہ ماہی میں کم از کم ایک اجلاس ضرور بلائی ہے:

☆	انڈر رائٹنگ کمیٹی
☆	کلیمز سیٹلمنٹ کمیٹی
☆	ری انشورنس اینڈ کوانشورنس کمیٹی اور
☆	رسک مینجمنٹ اینڈ کمپلائنس کمیٹی
☆	سسٹین ایبلٹی کمیٹی

ادارہ کے اہم مقاصد:

آپ کی کمپنی مستقل طور پر ترجیحی انشورر نیز پاکستان میں اپنی سرکردہ پوزیشن برقرار رکھنے کے لئے سرگرم عمل رہتی ہے۔

۲۰۲۶ء کے امکانات:

سال ۲۰۲۶ء میں ہماری حکمت عملی کا مرکز منافع بخش ترقی حاصل کرنے کا سلسلہ برقرار رکھنے اور مارکیٹ میں قیادت کو مضبوط بنانے پر ہے۔ شرح سود کے ماحول میں بہتری کے باعث، ہم گاڑیوں اور تعمیرات کے شعبوں میں متوقع بہتری سے فائدہ اٹھانے کا ارادہ رکھتے ہیں۔ حصص داران کے لیے ہماری ترجیح ڈیٹا پر مبنی رسک اسسمنٹ کے ذریعے انڈر رائٹنگ مارجنز کو بہتر بنانا ہے، جبکہ اپنی مضبوط سرمایہ کاری کے مجموعے سے زیادہ سے زیادہ مجموعی منافع حاصل کرنا بھی ہماری حکمت عملی کا حصہ ہے۔

معلوماتی ذرائع اور مفروضے:

مستقبل کے اعداد و شمار اور مفروضوں کیلئے استعمال ہونے والا ڈیٹا ماضی کے رجحانات کے جائزے، مستقبل کے غور و خوض اور مارکیٹ کی موجودہ صورتحال پر مبنی ہیں۔ ہم اکاؤنٹ کی موجودہ صورتحال اور میکرو اکنامک اشاریوں کو بھی مستقبل کے تخمینہ جات فراہم کرتے وقت ملحوظ خاطر رکھتے ہیں۔ پروفیشنل کی ایک ان ہاؤس ٹیم مشترکہ طور پر مستقبل کے اعداد و شمار تیار کرتی ہے۔ حقیقی اقدامات متوقع اعداد و شمار اور تخمینے کی تیاری کے وقت کئے جاتے ہیں۔

ری انشورنس:

آپ کی کمپنی کے ری انشورنس انتظامات نہایت مستحکم ہیں۔ سرکردہ بین الاقوامی سیکورٹیز مثلاً سوئس ری انشورنس کمپنی، ایکورک اے جی، ہان اوور رک ایس ای، کورین ری انشورنس کمپنی، SCOR ری انشورنس ایشیا پیسیفک پی ٹی ای لمیٹڈ اور لائیوڈز آف لندن، ان سب کو ”A“ ریٹنگ حاصل ہے۔

متعلقہ پارٹی ٹرانزیکشنز:

منسلک کمپنیوں/متعلقہ پارٹیوں کے ساتھ کمپنی کی ٹرانزیکشنز بورڈ آف ڈائریکٹرز کی منظوری ہر بورڈ میٹنگ میں دی جاتی ہے۔ متعلقہ پارٹیوں کے ساتھ طے پانے والی تمام ٹرانزیکشنز آرمز لینتھ (Arm's length) کی بنیاد پر کئے جاتے ہیں۔ ۳۱ دسمبر ۲۰۲۵ کو ختم ہونے والے سال کے لیے متعلقہ پارٹیوں کے ساتھ کیے گئے ٹرانزیکشنز کی تفصیلات غیر مجموعی مالیاتی حسابات میں نوٹ ۳۵ اور مجموعی مالیاتی حسابات میں نوٹ ۴۰ میں ظاہر کی گئی ہیں۔

ماحولیاتی تحفظ کے اقدامات:

کمپنی مالیاتی تحفظ کے سلسلے میں اپنی سماجی ذمہ داری سے بخوبی آگاہ ہے ہم صحت مند ماحول کی حوصلہ افزائی کرتے ہیں اور ہم وہ اقدامات کرتے ہیں جن سے ہماری سادھ مزید بہتر ہو۔ تفصیلی رپورٹ منسلک ہے۔

انسانی وسائل کے انتظام کے لیے ہمارا اسٹریٹجک طریقہ کار ملازمین کو بااختیار بنانے پر مرکوز ہے، جس کے تحت انہیں پالیسی سازی اور کارکردگی کے جائزوں سمیت اہم فیصلہ سازی کے عمل میں فعال شرکت کی ترغیب دی جاتی ہے۔ یہ جامع اور شمولیتی فریم ورک ایک حوصلہ مند اور فعال افرادی قوت کو فروغ دیتا ہے، جو کمپنی کے اسٹریٹجک اہداف کے حصول کے لیے مکمل طور پر پرعزم ہے۔ اس بات کو یقینی بنانے کے لیے کہ ہماری ٹیم تکنیکی اور صنعتی ترقی کے ساتھ ہم آہنگ رہے، کمپنی پیشہ ورانہ ترقی کے جامع پروگراموں میں مسلسل سرمایہ کاری کر رہی ہے۔ پاکستان کے بڑے شہروں میں موجود جدید اندرون ادارہ تربیتی سہولیات کے ذریعے، ہم تکنیکی اور شخصی مہارتوں پر مشتمل تربیتی پروگرام فراہم کرتے ہیں، جس سے ہمارے عملے کو اپنی پیشہ ورانہ صلاحیتیں بہتر بنانے اور اپنے کیریئر کے مواقع کو وسعت دینے میں مدد ملتی ہے۔ دوران سال کمپنی کے تربیتی پروگراموں سے ۸۰۰ ملازمین مستفید ہوئے۔

کمپنی اپنے ملازمین کو صنعتی سیمینارز اور ورکشاپس میں شرکت کی سہولت فراہم کرتی ہے تاکہ باہمی تعلقات کی مہارتوں کو بہتر بنایا جاسکے اور صنعت سے متعلق علم میں اضافہ ہو۔ ہم اپنے عملے کی فلاح و بہبود کے لیے بھی پرعزم ہیں اور ایک دوستانہ اور خاندانی ماحول برقرار رکھتے ہوئے باقاعدہ ملازمت سے متعلق سرگرمیوں کا انعقاد کرتے ہیں۔ ہماری بھرتی کی حکمت عملی بہترین صلاحیتوں کے حامل افراد کو متوجہ کرنے کے لیے انتہائی محتاط انداز میں ترتیب دی

گئی ہے، جبکہ ہمارے مربوط نظریاتی اور عملی تربیتی پروگرام اس بات کو یقینی بناتے ہیں کہ ملازمین کی صلاحیتیں ہماری کارپوریٹ وژن کے مطابق ہوں۔ بالآخر، ہماری ٹیم کی اجتماعی مہارت اور پیشہ ورانہ مہارت نہ صرف انفرادی ترقی بلکہ تنظیم کی مسلسل ترقی اور خوشحالی کی بنیاد ہے۔

بین الاقوامی تسلیم شدہ پروفیشنل انشورنس کی تعلیم اور قابلیت مثلاً چارٹرڈ انشورنس انسٹی ٹیوٹ (یو کے) کے حصول میں ملازمین کو سپورٹ کرنے کے لئے مالیاتی معاونت اور حوصلہ افزائی ہر سطح پر فراہم کی جاتی ہے۔ موجودہ طرز پر ہمارے پاس ۲۱ چارٹرڈ انشوررز، ۳۲ قابل انجینئرز، ۱۳ پروفیشنل اکاؤنٹنٹس اور دیگر پیشہ ورانہ ڈگری اور شہریت رکھنے والے افراد اپنی متعلقہ شعبوں میں نمایاں کارکردگی کا مظاہرہ کر رہے ہیں، جس سے ای ایف یو کمزیر ترقی کی جانب گامزن کیا جا رہا ہے۔

آئی ایس اوسرٹیفیکیشن:

ای ایف یو جنرل انشورنس ایک ISO 9001:2015 اور ISO/IEC 27001:2022 سے تصدیق شدہ ادارہ ہے۔ ان معیارات کے تحت، ای ایف یو نے اپنی خدمات کے معیار کو یقینی بنانے کے لیے باقاعدہ طریقہ کار وضع کیا ہے، جس سے کوالٹی مینجمنٹ سسٹم کی تاثیر میں مسلسل بہتری لائی جا رہی ہے۔ کمپنی سائبر سیکیورٹی کے خطرات اور ڈیٹا سیکیورٹی سے متعلق خدشات کو دور کرنے کے لیے ضروری اقدامات کر رہی ہے، تاکہ ڈیٹا سیکیورٹی کے حوالے سے صارفین کا اعتماد حاصل کیا جاسکے اور اسے برقرار رکھا جاسکے۔ اس سلسلے میں، بیرونی ماہر اداروں کے ذریعے سالانہ آڈٹ بھی کروائے جاتے ہیں، تاکہ ریگولیٹری اور معیاری تقاضوں کی مکمل تعمیل کو یقینی بنایا جاسکے۔

انفارمیشن ٹیکنالوجی:

ہم ہمسرت مطلع کرتے ہیں کہ آپ کے ادارے نے ۲۰۲۵ میں رسک ایسوسی ایٹس کے ذریعے اپنے انفارمیشن ٹیکنالوجی ڈیپارٹمنٹ کیلئے ISO/IEC 27001:2022 کی دوبارہ سرٹیفیکیشن کامیابی کے ساتھ حاصل کر لی ہے۔ یہ پیش رفت اس بات کی تصدیق کرتی ہے کہ تنظیم اپنی آئی ٹی آپریشنز میں مضبوط انفارمیشن سیکیورٹی معیارات اور بہترین عملی طریقوں کو برقرار رکھنے کے عزم پر قائم ہے۔

انٹرپرائزر رسک مینجمنٹ:

انٹرپرائزر رسک مینجمنٹ (ای آر ایم) کا شعبہ کمپنی میں درپیش خطرات کا جائزہ لینا ہے اور ان خطرات کے باعث کمپنی کے اثاثہ جات اور مالی ذمہ داریوں پر پڑنے والے اندرونی اور بیرونی خطرات اور ان کے حجم کی موثر طور پر نشاندہی کرنا اور ان کا جائزہ لینے میں معاونت فراہم کرتا ہے۔ ای آر ایم کے معاملات کمپنی کے کلیدی امور کے ساتھ مربوط ہیں جو فیصلہ سازی، کمپنی کے خطرات کے بندوبست کے سلسلے میں خطروں کی حد اور ان سے نمٹنے کی سطح کے اندر معاملات طے کرنے اور شیئرز ہولڈرز و دیگر اسٹیک ہولڈرز کے لئے منافع جات میں اضافے پر توجہ مرکوز رکھتے ہیں۔ ہماری کوشش ہے کہ ای آر ایم کے امور کو اگلی سطح تک لے جایا جائے جہاں کمپنی ہر ایک میدان/مزیعد عمل میں کیپیٹل اور خطرات کو روکنے کے کلچر کے تدارک سے نمٹ کر منافع کا حصول ممکن ہو سکے۔

آئی ایف ایس ریٹنگ:

آپ کی کمپنی کو پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) کی جانب سے ریٹنگ دی گئی ہے۔ ریٹنگ ایجنسی نے AA++ معیشت آؤٹ لک کی ریٹنگ تفویض کی ہے۔

آپ کی کمپنی کو دنیا کی ایک خصوصی انشورنس ریٹنگ ایجنسی A.M.Best کی جانب سے بھی ریٹنگ دی گئی اور ایجنسی نے ہماری کمپنی کو مالیاتی مضبوطی کی ریٹنگ ”B“ مثبت آؤٹ لک کی ریٹنگ تفویض کی ہے۔

ہیومن ریسورس:

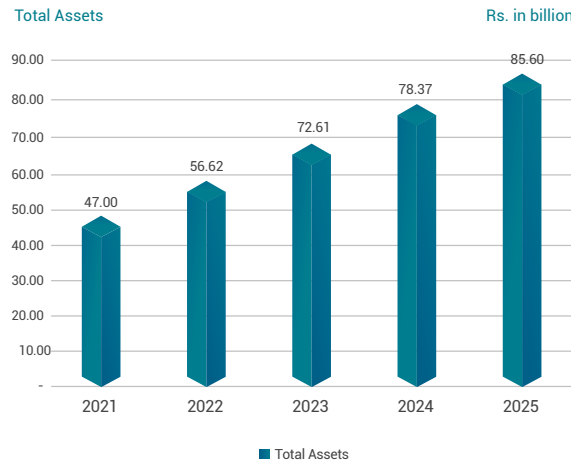
ای ایف یو جنرل انشورنس اپنی مسلسل مارکیٹ قیادت کو اپنی افرادی قوت کے اعلیٰ معیار سے منسوب کرتی ہے، خاص طور پر انشورنس جیسے پیچیدہ اور مسلسل بدلتے ہوئے شعبے میں۔ یہ تسلیم کرتے ہوئے کہ تکنیکی مہارت اور کاروباری بصیرت کامیابی کے اہم عوامل ہیں، کمپنی انسانی وسائل میں سرمایہ کاری اور ایک خیال رکھنے والی اور اعلیٰ کارکردگی پڑتی تنظیمی ثقافت کو فروغ دینے کے عزم پر قائم ہے۔

وقت کے اختتام تک موجود ہوں گے۔ یہ نقد منافع منقسمہ، سال کے دوران پہلے سے اعلان کردہ مجموعی عبوری نقد منافع منقسمہ ۴۶۵۰ روپے فی حصص (۲۵ فیصد) کے علاوہ ہے۔

روپے ہزاروں میں

۱،۱۰۵،۱۹۷	گذشتہ سال کا منتقل شدہ بیلنس	
۵،۱۳۴،۲۶۳	اس سال کیلئے بعد از ٹیکس منافع	
(۱۰۱،۶۲۷)	سال کیلئے دیگر جامع آمدنی	
۱۳،۸۸۰	پراپرٹی اور ایکویپمنٹ کی ری ویلیویشن کے سرپلس سے منتقلی، اضافی فرسودگی کی مد میں (بعد از ٹیکس)	
۶،۱۵۱،۷۱۳	مختص کرنے کیلئے دستیاب رقم	
(۹۰۰،۰۰۰)	ڈائریکٹرز نے سفارش کی ہے کہ اس رقم کو درج ذیل طریقے سے مختص کر دیا جائے:	
(۱،۱۰۰،۰۰۰)	عبوری نقد منافع منقسمہ ۲۰۲۵ بشرح ۲۵ فیصد (۲۰۲۳: ۲۵ فیصد)	
(۵،۰۰۰،۰۰۰)	مجوزہ حتمی نقد منافع منقسمہ ۲۰۲۵ بشرح ۵۵ فیصد (۲۰۲۳: ۵۵ فیصد)	
(۳،۰۰۰،۰۰۰)	جزل ریزرو میں مجوزہ ٹرانسفر	
۱،۱۵۱،۷۱۳	آئندہ سال کیلئے آگے لے جایا گیا	

کمپنی کے اثاثہ جات:



مارکیٹ شیئر:

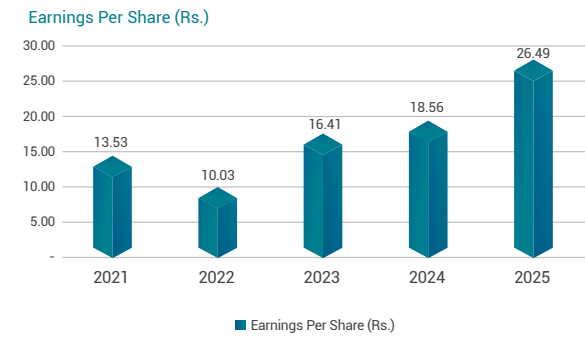
۳۰ ستمبر ۲۰۲۵ کے مطابق دستیاب شائع شدہ مالیاتی حسابات پر منحصر اور دی انشورنس ایسوسی ایشن آف پاکستان کے جاری کردہ اعداد و شمار کی بنیاد پر، آپ کی کمپنی پاکستان میں نجی نان لائف انشورنس شعبے کے کاروبار میں ۲۲ فیصد مارکیٹ شیئر کی حامل ہے۔

روپے (بلین میں)

	۲۰۲۵ء	۲۰۲۳ء
منافع منقسمہ سے آمدنی	۱،۳۹۷	۱،۱۰۶
ڈیبٹ سکیورٹیز سے آمدنی	۱،۵۶۵	۲،۰۷۲
ٹرم ڈپازٹس سے آمدنی	۲۸	۳۸
تجارت کے لئے رکھے گئے اثاثوں پر حاصل شدہ منافع	۸۰۳	۱۵۹
برائے فروخت سرمایہ کاری پر حاصل شدہ منافع	۲،۴۱۶	(۵۰)
برائے فروخت دستیاب سرمایہ کاری کی قدر میں کمی	(۷۴۰)	(۱،۰۵۵)
سرمایہ کاری سے متعلق اخراجات	(۱۳۷)	(۱۵)
تجارتی سرمایہ کاری کے لئے رکھی گئی سرمایہ کاری پر خالص غیر وصول شدہ منافع جات	۲۵	۱
خالص سرمایہ کاری سے آمدنی	۵،۳۵۷	۲،۲۵۶

فی حصص آمدنی:

آپ کی کمپنی نے اس سال فی حصص آمدنی ۲۶،۴۹ روپے ظاہر کی ہے جبکہ ۲۰۲۳ میں یہ آمدنی ۱۸،۵۶ روپے تھی۔

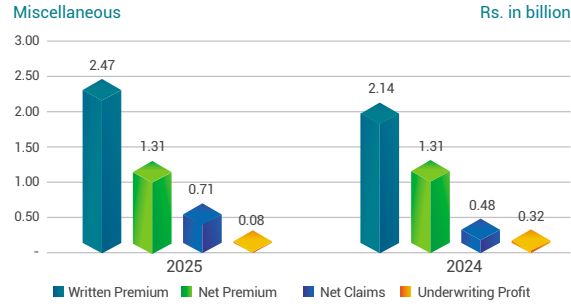


مختص رقوم اور منافع منقسمہ:

بعد از ٹیکس منافع ۵،۲۹ بلین روپے رہا، جبکہ سال ۲۰۲۳ میں یہ ۳،۷۱ بلین روپے تھا۔ آپ کے ڈائریکٹرز نے حصص داران کے لیے ۵،۵۰ روپے فی حصص (۵۵ فیصد) حتمی نقد منافع منقسمہ تجویز کیا ہے، جو ان حصص داران کو دیا جائے گا جن کے نام کمپنی کے شیئر رجسٹر میں ۱۸ مارچ ۲۰۲۶ء کو کاروباری

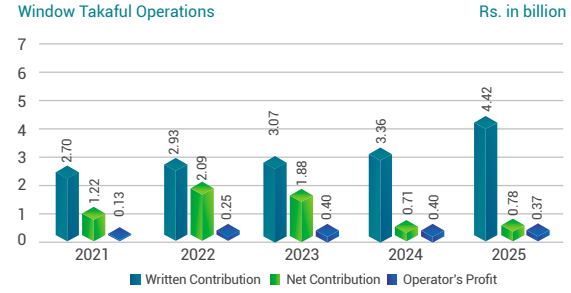
دیگر:

دوران سال تحریر کردہ پریمیم میں ۱۵ فیصد اضافہ ہوا اور یہ ۲۷ بلین روپے تک پہنچ گیا، جبکہ سال ۲۰۲۴ میں یہ ۲۷ بلین روپے تھا۔ خالص پریمیم آمدنی کے تناسب سے کلیمز کی شرح ۵۴ فیصد رہی، جو گزشتہ سال ۲۰۲۴ میں ۳۷ فیصد تھی۔ سال کے لیے انڈر رائٹنگ منافع ۰.۰۸ بلین روپے رہا، جبکہ ۲۰۲۴ میں یہ ۰.۳۲ بلین روپے تھا۔



وئڈو تکافل آپریشنز:

دوران سال تحریر کردہ شراکت آمدنی ۲۷ بلین روپے رہی، جبکہ گزشتہ سال یہ ۳۳ بلین روپے تھی۔ خالص شراکت آمدنی ۷.۸ بلین روپے رہی، جو کہ سال ۲۰۲۴ میں ۷.۱ بلین روپے تھی۔ تکافل آپریٹر کا منافع ۳.۷ بلین روپے رہا، جبکہ گزشتہ سال یہ ۴.۰ بلین روپے تھا۔

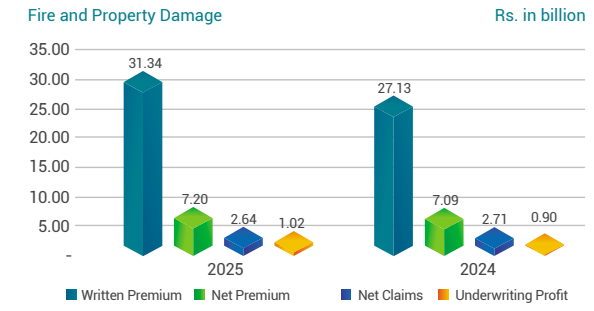


سرمایہ کاری آمدنی:

دوران سال پاکستان اسٹاک ایکسچینج میں اتار چڑھاؤ کارحاجان برقرار رہا۔ سال ۲۰۲۵ میں مجموعی سرمایہ کاری آمدنی ۵.۳۵ بلین روپے رہی، جبکہ گزشتہ سال یہ ۲.۲۵ بلین روپے تھی۔ سال کے دوران ڈیویڈنڈ آمدنی ۱.۳۹ بلین روپے رہی، جو گزشتہ سال ۱.۰۶ بلین روپے تھی۔ قرضہ جاتی سیکورٹیز اور ٹرم ڈپازٹس سے حاصل ہونے والی آمدنی ۱.۵۹۳ بلین روپے رہی، جبکہ گزشتہ سال یہ ۲.۱۰۹ بلین روپے تھی۔ دستیاب برائے فروخت اور برائے تجارت ایکویٹی سیکورٹیز پر حاصل شدہ منافع ۳.۲۱۹ بلین روپے رہا۔

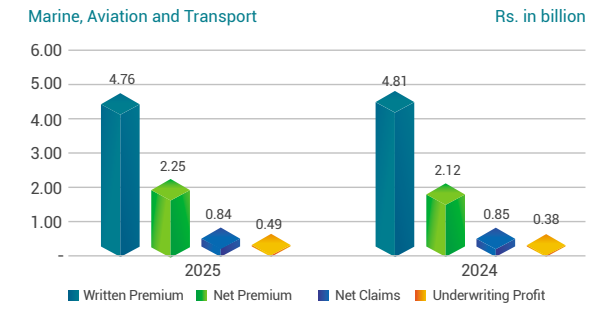
فائر اینڈ پراپرٹی:

دوران سال تحریر کردہ پریمیم میں ۱۶ فیصد اضافہ ہوا اور یہ ۳۱.۳۲ بلین روپے تک پہنچ گیا، جبکہ سال ۲۰۲۴ میں یہ ۲۷.۱۳ بلین روپے تھا۔ خالص پریمیم آمدنی کے تناسب سے کلیمز کی شرح ۳۷ فیصد رہی، جو گزشتہ سال ۲۰۲۴ میں ۳۸ فیصد تھی۔ سال کے لیے انڈر رائٹنگ منافع ۱.۰۲ بلین روپے رہا، جبکہ ۲۰۲۴ میں یہ ۰.۹۰ بلین روپے تھا۔



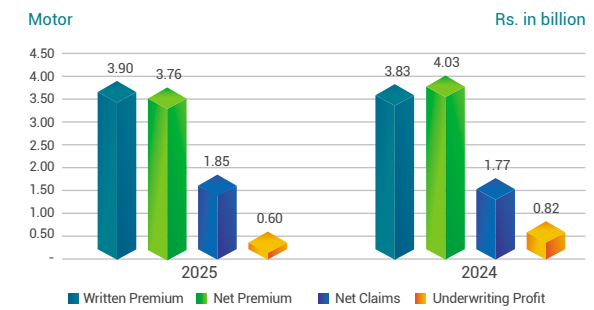
میرین، ایوی ایشن اور ٹرانسپورٹ:

دوران سال تحریر کردہ پریمیم میں تقریباً ۱ فیصد کی واقع ہوئی اور یہ ۴.۷۶ بلین روپے رہا، جبکہ سال ۲۰۲۴ میں یہ ۴.۷۸ بلین روپے تھا۔ خالص پریمیم آمدنی کے تناسب سے کلیمز کی شرح ۳۷ فیصد رہی، جو گزشتہ سال ۴۰ فیصد تھی۔ سال کے لیے انڈر رائٹنگ منافع ۰.۴۹ بلین روپے رہا، جبکہ ۲۰۲۴ میں یہ ۰.۳۸ بلین روپے تھا۔



موٹر:

دوران سال تحریر کردہ پریمیم میں ۲ فیصد اضافہ ہوا اور یہ ۳۷.۹۰ بلین روپے تک پہنچ گیا، جبکہ سال ۲۰۲۴ میں یہ ۳۷.۸۳ بلین روپے تھا۔ خالص پریمیم آمدنی کے تناسب سے کلیمز کی شرح ۴۹ فیصد رہی، جو گزشتہ سال ۲۰۲۴ میں ۴۴ فیصد تھی۔ سال کے لیے انڈر رائٹنگ منافع ۰.۶۰ بلین روپے رہا، جبکہ ۲۰۲۴ میں یہ ۰.۸۲ بلین روپے تھا۔



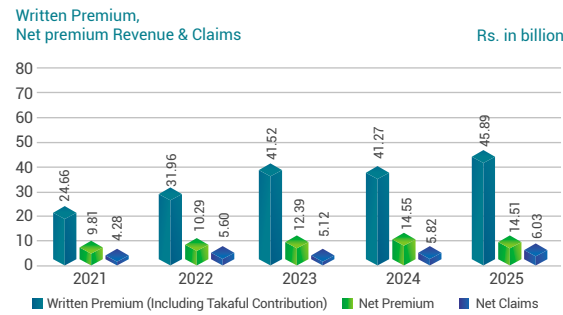
حصص داران کیلئے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کو کمپنی کی ۹۳ ویں سالانہ رپورٹ اور ۳۱ دسمبر ۲۰۲۵ کو ختم ہونے والے سال کے آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔

کمپنی کا جائزہ:

سال ۲۰۲۵ کے دوران کمپنی کا بعد از ٹیکس منافع ۵۲۹ بلین روپے رہا، جبکہ سال ۲۰۲۴ میں یہ ۳۷۷ بلین روپے تھا۔ فی حصص آمدنی ۲۶۷۹ روپے رہی، جو کہ گزشتہ سال کے ۱۸۷۵۶ کے مقابلے میں زیادہ ہے۔

سال ۲۰۲۵ میں کمپنی کا تحریر کردہ براہ راست پریمیم اور تکافل کاروبار ۸۹۷۶ بلین روپے رہا، (جس میں ۴۴۲ بلین روپے تکافل شراکت شامل ہے)، جبکہ سال ۲۰۲۴ میں یہ ۴۱۲۷ بلین روپے تھا، (جس میں ۳۳۶ بلین روپے تکافل شراکت شامل تھی)۔ خالص پریمیم آمدنی ۱۴۵۱ بلین روپے رہی، جبکہ سال ۲۰۲۴ میں یہ ۱۴۵۵ بلین روپے تھی۔



معاشی جائزہ:

مالی سال ۲۰۲۵ کے دوران پاکستان کی معیشت نے استحکام کا تسلسل برقرار رکھا اور حقیقی مجموعی قومی پیداوار (جی ڈی پی) کی شرح نمو ۲۷ فیصد رہی، جو گزشتہ سال حاصل ہونے والے استحکام پر مزید پیش رفت کی عکاس ہے۔ بیرونی شعبہ مضبوط رہا اور کرنٹ اکاؤنٹ نے غیر معمولی سرپلس درج کیا، جس کی بنیادی وجہ بیرون ملک مقیم پاکستانیوں کی ریکارڈ ترسیلات زر رہیں۔ ان مثبت اشاریوں اور اوسط افراط زر میں نمایاں کمی، جو تقریباً ۴ فیصد تک آگئی، کے نتیجے میں اسٹیٹ بینک آف پاکستان کو اپنی مانیٹری پالیسی میں نرمی کا سلسلہ جاری رکھنے کا موقع ملا، اور دسمبر ۲۰۲۵ تک پالیسی ریٹ ۱۳ فیصد سے کم ہو کر ۱۰ فیصد تک آگیا۔

شعبہ دارکار کردگی:

مختلف شعبہ جات کی کارکردگی درج ذیل رہی:

ROLE OF THE CHAIRMAN

The Chairman provides leadership to the Board and is responsible for ensuring that the Board operates effectively and in conformity with applicable laws, regulations and the standards of corporate governance. The Chairman presides over Board and shareholders' meetings, ensures that meetings are conducted in an orderly manner with sufficient time for constructive discussion, and sets the agenda, style and tone of Board deliberations to promote

informed debate and effective decision-making.

The Chairman also ensures the effective functioning of the Board and its Committees, facilitates timely flow of accurate information to Directors, promotes high standards of integrity and ethical conduct, and supports a culture of accountability, transparency and regulatory compliance across the Company.

ROLE OF THE MANAGING DIRECTOR

The Managing Director is responsible for the executive leadership of the Company and for managing its business within the authority delegated by the Board and in accordance with the Articles of Association and applicable laws and regulations. Key responsibilities include:

- Strategic leadership: Developing strategy proposals and recommendations for the Board's consideration, and leading the implementation of approved strategy across the organisation.
- Business and operational management: Overseeing day-to-day operations, ensuring effective execution of business priorities, and promoting a strong performance and service culture.
- Planning and performance management: Preparing annual business plans and budgets aligned with the approved strategy for Board

review, and monitoring performance against agreed objectives and key metrics.

- Risk and compliance: Ensuring that appropriate systems of internal control, risk management and regulatory compliance are implemented and maintained, and that material matters are escalated to the Board in a timely manner.
- People and capability: Ensuring the Company has adequate resources and organisational capability, including workforce planning, talent development and succession planning, to deliver agreed plans and sustain growth.
- Stakeholder management: Maintaining effective relationships with key stakeholders and representing the Company in line with the Board's governance and disclosure expectations.

MATTERS DELEGATED BY THE BOARD OF DIRECTORS

The Board delegates authority to Management for the day-to-day operations of the Company and for the implementation of the strategies, policies, budgets and plans approved by the Board. Within the delegated authority, Management is responsible for ensuring effective execution of business objectives, maintaining appropriate internal controls, and operating in compliance with applicable laws, regulations and the Company's governance framework.

Management is also responsible for maintaining proper books of account and preparing financial statements that fairly present the financial position and performance of the Company in accordance with applicable legal and regulatory requirements and relevant accounting standards, supported by appropriate accounting policies, judgements and estimates, and an effective system of internal control.

BOARD COMMITTEES

1. AUDIT COMMITTEE

The Board is responsible for effective implementation of sound internal control system including compliance with control procedures. The Audit Committee is assisted by the Chief Internal Auditor in reviewing the adequacy of operational controls and risk management so as to provide reasonable assurance that internal control framework continues to operate efficiently and effectively in the Company. The principal responsibility of the Internal Audit department is to conduct internal audits in accordance with risk based internal audit plan approved by the Board Audit Committee to ensure adequacy in operational controls, consistency in application of policies and procedures, compliance with laws and regulations.

S NO:	MEETINGS ATTENDANCE	
01	Mr. Tanveer Sultan Moledina	4 out of 4
02	Mr. Hasanali Abdullah	4 out of 4
03	Mr. Taher G. Sachak	4 out of 4
04	Ms. Yasmin Hyder	4 out of 4
05	Mr. Asad Nasir	3 out of 3

* Asad Nasir became Director on February 01, 2025.

TORs OF AUDIT COMMITTEE

The Committee comprise of five members, including the Chairman of the Committee who is an Independent Director appointed to comply with the requirement of Code of Corporate Governance Regulations, 2019.

The Board has satisfied itself that Audit Committee consists of at least one member having relevant financial experience and knowledge to qualify as financially literate as required by the Code. The Committee focus is to oversee the financial reporting, performance of the external auditors, internal audit function, internal control process, risk management and compliance with applicable laws/regulations.

The terms of reference of the Audit Committee as determined by Board of Directors are as follows:

- (a) Determination of appropriate measures to safeguard the Company's assets.
- (b) Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - going concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with statutory and regulatory requirements; and
 - all related party transactions.
- (c) Review of preliminary announcement of results prior to its external communication and publication.
- (d) Facilitating the external audit and discussion with external auditors of major observations arising from audit and any matter that the auditors may wish to highlight (in the absence of management, where necessary).

- (e) Review of management letter issued by external auditors and discuss management's response thereto.
- (f) Consideration of major findings of internal investigations and management's response thereto.
- (g) Ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective.
- (h) Review of Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports.
- (i) 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.
- (j) Determination of compliance with relevant statutory requirements.
- (k) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.
- (l) 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.
- (m) 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; measures for redressal and rectification of non-compliances with the Regulations.
- (n) Consideration of any other issue or matter as may be assigned by the Board of Directors.

2. INVESTMENT COMMITTEE

The Company has a Board-level Investment Committee which meets at least once each quarter to review the Company's investment portfolio, market developments and performance against approved benchmarks and risk parameters. The Committee also oversees the formulation and periodic review of the Company's investment policy and related guidelines, including asset allocation, credit and concentration limits, liquidity requirements and compliance with applicable regulatory requirements.

The Board's Investment Committee comprises the following members:

NAME OF MEMBER	NAME OF MEMBER
Mr. Hasanali Abdullah Mr. Saifuddin N. Zoomkawala Mr. Kamran Arshad Inam Mr. Taher G. Sachak Mr. Najmul Hoda Khan	Chairman - Non Executive Director Member - Non Executive Director Member - Managing Director and Chief Executive Officer Member - Non Executive Director Chief Financial Officer

3. ETHICS, HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Ethics, Human Resources and Remuneration Committee assists the Board in overseeing the Company's people, culture and ethics agenda, and in promoting sound governance practices. The Committee is responsible for reviewing and recommending to the Board the Company's human resource management policies and key ESG-related responsibilities relevant to workplace practices and corporate conduct.

The Committee also supports the Board in matters relating to the selection, evaluation, succession planning and remuneration of the Company's key officers, ensuring that compensation structures are fair, market-aligned and linked to performance, while promoting ethical conduct and long-term value creation.

The Board's Ethics, Human Resources and Remuneration Committee comprises of the following members:

NAME OF MEMBER	NAME OF MEMBER
Ms. Yasmin Hyder Mr. Saifuddin N. Zoomkawala Mr. Hasanali Abdullah Mr. Kamran Arshad Inam	Chairperson - Independent Director Member - Non-Executive Director Member - Non-Executive Director Member - Managing Director and Chief Executive Officer

The Ethics, Human Resources & Remuneration Committee comprises four members, including the Chairperson who is an Independent Director, appointed in compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Committee's terms of reference have been approved by the Board in line with the requirements of the Code of Corporate Governance and include oversight of the Company's human resource and remuneration matters as well as relevant ESG-related responsibilities.

BOARD AND BOARD COMMITTEES MEETINGS

During the year all meetings of the Board and Board Committees were held in Pakistan.

SECURITY CLEARANCE OF A FOREIGN DIRECTOR

There is no foreign Director on the Board.

SIGNIFICANT CHANGES IN BOARD COMMITTEES

Mr. Asad Nasir became member of Audit Committee during the year.

MANAGEMENT COMMITTEES

As part of the Corporate Governance, your Company maintains following five management committees which meets at least once every quarter except for ESG Committee:

1. Underwriting Committee

The Committee formulates and recommends the Company's underwriting policy, including the criteria for assessing and accepting insurance risks and the framework for determining premium rates across different classes of business. The Committee regularly reviews underwriting standards and premium guidelines, taking into account the Company's risk appetite, portfolio mix, claims experience, reinsurance arrangements and prevailing market developments.

2. Claims Settlement Committee

The Committee devises and oversees the Company's claims settlement policy and monitors the overall claims position to ensure that claims are handled fairly, consistently and in a timely manner. It also reviews the adequacy of claims reserves to ensure that appropriate provisions are maintained in accordance with applicable requirements. Particular attention is given to significant claims and catastrophe-type events that may give rise to multiple claims. The Committee defines the circumstances in which claim disputes and material claim matters are required to be escalated for its review, and provides direction on their resolution. It further oversees the Company's fraud risk controls relating to claims, including measures to prevent, detect and respond to potentially fraudulent claims. The Committee also oversees the Grievance Function in relation to claims and provides quarterly reporting to the Board on claims-related complaints received, resolved and outstanding.

3. Reinsurance and Coinsurance Committee

The Committee oversees the Company's reinsurance strategy and ensures that adequate and appropriate reinsurance arrangements are in place for the Company's business. It reviews proposed reinsurance programmes prior to placement, monitors the adequacy and performance of the arrangements during the year, and—subject to the consent of participating reinsurers—recommends adjustments in response to portfolio changes, loss experience and market developments. The Committee also periodically assesses the effectiveness of the reinsurance programme, including counterparty considerations, coverage structure and retention levels, to inform future renewals and support the Company's risk appetite and capital management objectives.

4. Risk Management and Compliance Committee

The Committee oversees the Company's risk management function and reviews the adequacy and effectiveness of the risk management framework to identify, assess, monitor and mitigate key risks. Based on its reviews, the Committee makes appropriate recommendations to the Board to strengthen controls and reduce the likelihood and impact of material risks within the Company's risk profile. The Committee also monitors the compliance function and reviews the Company's compliance risk profile, including compliance with applicable laws and regulations and adherence to internal policies, procedures and approved governance frameworks.

5. ENVIRONMENT, SOCIAL AND GOVERNANCE COMMITTEE

The Environment, Social and Governance (ESG Committee) assists the Ethics, Human Resource and Remuneration Committee in overseeing the Company's sustainability related duties. The Committee reviews and recommends the Company's ESG strategy, policies and priorities, and monitors implementation to ensure alignment with the Company's values, risk appetite and stakeholder expectations.

The Committee provides oversight of key ESG matters, including, inter alia, workplace health and safety, human capital practices, diversity and inclusion, responsible business conduct, community investment/CSR initiatives, and environmental stewardship measures relevant to the Company's operations. It also reviews ESG-related risks and opportunities, monitors performance against identified targets/initiatives (where applicable), and supports the quality and completeness of ESG disclosures in the Company's reporting.

The Committee reports to the Board Committee on ESG-related developments, progress and material matters, and recommends actions to strengthen governance, transparency and continuous improvement.

REPORT OF THE AUDIT COMMITTEE

The Board Audit Committee comprises of three non-executive directors and two independent directors including Chairman of the committee.

The members of the Audit Committee are qualified professionals and possess enriched working experience at senior management levels. The Committee consists of one member with relevant financial experience and necessary knowledge relating to finance and accounting as required by the Code. Based on reviews and discussions in these meetings, the Committee reports that:

1. Four meetings of the Committee were held during the year 2025.
2. The Committee reviewed and approved interim and annual financial statements of the Company and recommended them for approval of the Board of Directors.
3. The Company issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed by the external auditors of the Company.
4. The Chief Executive Officer and the Chief Financial Officer have endorsed the standalone as well as consolidated financial statements of the Company. They acknowledge their responsibility for true and fair presentation of the financial statements and compliance with regulations and applicable accounting standards.
5. The financial statements have been prepared in accordance with approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, the Insurance Ordinance, 2000 and Insurance Rules, 2017.
6. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
7. Proper books of accounts have been maintained by the Company.

8. The Committee reviewed and approved all related party transactions and recommended them for approval of the Board of Directors.
9. The Committee oversees Company's risk management and internal control framework and reviews their adequacy in relation to the risks faced by the Company. The Company's system of internal control established at all levels is sound in design and is continually evaluated for effectiveness and adequacy.
10. For appraisal of internal controls and monitoring compliance, the Company has in place an appropriately staffed Internal Audit department. The Committee reviewed the resources of the Internal Audit department to ensure that they were adequate for the planned scope of the Internal Audit function.
11. The role of Internal Audit is to assess risk management processes and internal control as well as to ensure implementation of and compliance with the defined policies and procedures. Internal Audit submits its reports directly to audit committee for appropriate actions with timely follow-up on audit findings to ensure that corrective actions are taken in a timely manner.
12. The Committee on the basis of internal audit reports reviewed the adequacy of controls and compliance shortcomings in areas audited and discussed corrective actions in the light of management responses. This has ensured the continual evaluation of controls and improved compliance.
13. The Internal Auditor has full access to the Chairman of the Board Audit Committee and meets senior management to discuss internal audit reports and is fully independent to access the management any time to discuss audit issues in order to make the audit process transparent and effective and ensure that the identified risks are mitigated to safeguard the interest of the Company. The Committee evaluates head of internal audit performance jointly with Chief Executive.
14. The External Auditors KPMG Taseer Hadi & Co, Chartered Accountants had direct access to the Committee and necessary coordination with internal auditors was ensured.
15. The Audit Committee has discussed with the external auditors and management, all the key matters identified during external audit and has taken appropriate actions accordingly.
16. The Committee assessed the effectiveness of external audit process by evaluating the experience and technical excellence of auditors in the Company's business and the regulatory environment, demonstration of professional integrity and objectivity and timely communications and reports so as to allow committee to take appropriate actions.
17. The Committee recommended to the Board of Directors for appointment of KPMG Taseer Hadi & Co, Chartered Accountants as external auditors and their remuneration for the year ending December 31, 2025.
18. The Committee is of the view that the annual report was fair, balanced and understandable and provide complete information for shareholders to assess the Company's position and performance, business model and strategy
19. The Committee has complied with all the applicable provisions of Code of Corporate Governance, presence of sufficient commercial and financial experience and knowledge to carry out audit matters and assisted Board by delivering reports on timely basis.
20. The committee has formal and transparent arrangements for considering financial reporting, risk management, internal controls and for maintaining an appropriate relationship with the external auditor
21. No whistle-blowing incidences were reported to the Audit Committee during the year.

GENDER PAY GAP

49.85%
Mean Gender Pay Gap

30.11%
Median Gender Pay Gap



BOARD’S STATEMENT ON THE SIGNIFICANT PLANS AND DECISIONS SUCH AS CORPORATE RESTRUCTURING, BUSINESS EXPANSION, MAJOR CAPITAL EXPENDITURE OR DISCONTINUANCE OF OPERATION

The Board confirms that during the year, there were no significant plans or decisions relating to corporate restructuring, business expansion, major capital expenditure, or discontinuance of operations.

INFORMATION ABOUT DEFAULTS IN PAYMENT OF ANY DEBT WITH REASONS AND ITS REPAYMENT PLAN; AND BOARD STRATEGY TO OVERCOME LIQUIDITY PROBLEMS AND PLANS TO MEET OPERATIONAL LOSSES

The Board confirms that the Company has not defaulted in the payment of any debt during the year.

The Board further confirms that the Company did not face any liquidity issues during the year and there were no operational losses. The Company continues to manage liquidity through prudent financial management and ongoing monitoring of cash flows and obligations.

STATEMENT FROM THE BOARD ON RISK MANAGEMENT AND PRINCIPAL RISK ASSESSMENT

The Board of Directors of EFU General is committed to maintaining a robust and effective risk management framework to ensure that the Company operates within an appropriate risk appetite while safeguarding its business model, financial performance and long-term sustainability. The Board provides oversight of the risk management process and ensures that key risks are identified, assessed, monitored and managed through appropriate policies, controls and governance structures.

The Company’s principal risks are assessed through a structured enterprise risk management process that considers the likelihood and potential impact of risks, emerging risk trends and changes in the external environment. Risk assessments are reviewed periodically, and material risks are escalated to the Board and relevant Board Committees. Mitigation plans are implemented and monitored, with management accountable for maintaining effective controls and timely reporting.

The Board also reviews the adequacy of the Company’s internal control environment and seeks assurance through management reporting, internal audit reviews and committee oversight that the risk management and internal control systems remain fit for purpose and continue to operate effectively.

CHAIRMAN’S SIGNIFICANT COMMITMENT

The Board of Directors provides strategic direction and oversight to advance the Company’s objectives, uphold high standards of corporate governance, and safeguard financial stability and sustainable growth. During the year, the Board remained focused on transparency, accountability and effective decision-making, while providing oversight of performance, risk management and compliance to support the Company’s long-term success.

The Chairman, on behalf of the Board, remains committed to promoting disciplined strategic growth, financial resilience and responsible business practices. During the year, the Board reinforced its focus on governance effectiveness, technology-led improvements and digital transformation, and strengthened attention to Environmental, Social and Governance (ESG) priorities to support long-term value creation for all stakeholders.

AVOIDING ACTUAL AND PERCEIVED CONFLICT OF INTEREST

The Company is committed to ensuring transparent disclosure, effective management and ongoing monitoring of actual and potential conflicts of interest. The Board is mindful of its obligations under the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Code of Corporate Governance for Insurers, 2016, and requires Directors to avoid any conflict between their fiduciary duties to the Company and their other interests.

All Directors have a duty to avoid circumstances that may give rise to an actual, potential or perceived conflict of interest. Any Director who is, directly or indirectly, interested in any contract, arrangement or proposed transaction involving the Company is required to disclose the nature of such interest to the Board at the earliest opportunity and, where applicable, abstains from participating in the discussion and does not vote on the relevant matter.

In addition, in accordance with Section 153 of the Companies Act, 2017, the Code of Corporate Governance and applicable insurer governance requirements, Directors submit an annual signed Statement of Compliance/Declaration. This includes disclosure of their associations with other companies, firms and businesses and confirmation that they meet the prescribed legal and regulatory requirements to hold office as Directors.

BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

The Board has adopted a Statement of Ethics and Business Practices, which sets out the Company's expected standards of conduct and compliance with applicable laws, regulations and internal policies. All employees are made aware of this Statement and are required to observe these principles in the performance of their duties.

The Statement of Ethics and Business Practices is founded on integrity, respect and dignity, a culture of excellence, and fair and ethical dealings with customers, colleagues, business partners and the public.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

The Board has put in place a formal mechanism to evaluate its performance on an annual basis, as required under the Code of Corporate Governance. The evaluation framework is designed in line with emerging good practices to assess the Board's effectiveness, including the performance of the Board, its Committees and individual Directors, and to identify areas for continuous improvement.

The design and administration of the Board evaluation process has been outsourced to the Pakistan Institute of Corporate Governance.

DIRECTOR'S TRAINING (DTP) & ORIENTATION SESSION

All Directors and the Chief Executive Officer of the Company have acquired certification under the Directors' Training Program. During the year, the Company provided an orientation booklet to Directors to further apprise them of their roles, duties and responsibilities. Directors were also updated on key amendments and developments in laws and regulations relevant to the Company and the insurance sector. In addition, a Directors' training on ESG related matter was also organized during the year. Further, Chief Financial Officer, Company Secretary and Head of Internal Audit have also attended the DTP. One female executive and one head of department also attends DTP session every year.

POLICY FOR RELATED PARTY TRANSACTIONS

To comply with the requirements of the Companies Act, 2017, the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company has formulated a Related Party Transactions Policy duly approved by the Board of Directors.

In accordance with the approved policy and applicable regulatory requirements, related party transactions are reviewed and approved by the Board on a quarterly basis. The Company ensures that related party transactions are undertaken in the normal course of business and on an arm's length basis, supported by appropriate documentation and record maintenance

REMUNERATION OF DIRECTORS

A policy for the remuneration of Directors has been formulated in accordance with the requirements of the Code of Corporate Governance. Details of the remuneration received by the Directors and the Chief Executive Officer during the financial year 2025 are disclosed in the relevant note to the Company's financial statements, annexed to this Annual Report.

MINIMUM SOLVENCY REQUIREMENT

The solvency framework is prescribed under the Insurance Ordinance, 2000 to ensure that insurers maintain adequate financial resources to meet their obligations to policyholders and other stakeholders as they fall due. The solvency requirement is determined using a formula-based approach that takes into account key quantifiable risks, including underwriting risk, market risk, credit risk, operational risk, and counterparty risk. The EFUG solvency as at December 31, 2025 is Rs. 19.97 billion as against the requirement of Rs. 4.25 billion which is 3.25 time in excess of the requirement.

MINIMUM CAPITAL REQUIREMENT

The Company monitors its capital position on an ongoing basis to ensure compliance with all applicable regulatory requirements. As at December 31, 2025, the Company's paid-up capital stood at Rs. 2,000 million, which is substantially higher than the minimum capital requirement of Rs. 500 million prescribed by the Securities and Exchange Commission of Pakistan (SECP) for general insurance companies. Accordingly, the Company remained fully compliant with the applicable minimum capital requirement as at the reporting date.

Further, pursuant to the amendments introduced by the SECP in the Insurance Rules, the minimum capital requirement for general insurance companies has been gradually increased to Rs. 2 billion by December 31, 2029. The Company already meets this enhanced capital requirement.

HUMAN RESOURCE MANAGEMENT

EFU General Insurance fosters a high-performing, inclusive, and motivated workforce through strategic Human Resource policies. Our Human Resource policies drive employee growth, motivation, and long-term organizational success.

- 01 Succession Planning: Identifying and training future leaders.
- 02 Merit-Based Recruitment: Fair hiring based on skills and qualifications.
- 03 Performance Appraisal: Objective evaluations linked to company goals.
- 04 Training & Development: Continuous learning and leadership programs.
- 05 Diversity & Inclusion: Equal opportunities, gender balance and no discrimination.
- 06 People with Different Abilities: People with Different Abilities are provided opportunities to prove themselves.

POLICY AND PROCEDURES FOR STAKEHOLDERS' ENGAGEMENT

Institutional Investors

The Company convenes Annual General Meeting in accordance with the Companies Act, 2017. The Company's financial reports are published every quarter and are also placed on Company's website for the shareholders and potential investors.

In compliance with the listing regulations of the stock exchange, the Company notifies information to the Stock Exchange from time to time. This helps the shareholders remain connected with the Company. The dates of Board of Directors meetings and financial results are notified to Stock Exchange.

Customers

We believe in customer trust and satisfaction being our strength over the years. To help improve customer service and meet their needs and expectation, feedback from customers is sought. In this regard, the Company's website has dedicated customer feedback section for an ongoing relationship with them.

Banks

We understand the importance of these stakeholders and ensure continuous interaction with them and manage our relationships.

Media

We continuously engage with media through issuing press releases, briefings and advertisements campaigns. We have also dedicated section on our Company's website for public relations. The website may be accessed at www.efuinsurance.com.

Regulators

To maintain compliance with applicable laws and regulations, the applicable statutory returns and forms are filed with various regulatory bodies and federal and provincial taxation authorities.

Dividend Policy

EFUG has a stable dividend policy which provides shareholders with a persistent dividend payout each year.

Redressal of investors' complaints

An investor can contact the Company Secretary about his grievance. The management tries to resolve all the complaints and queries of the investors to their satisfaction. An investor who is not satisfied can also approach the Securities & Exchange Commission of Pakistan (SECP) complaint cell through interactive link provided on our website.

OCCUPATIONAL SAFETY AND HEALTH

Fire extinguishers have been installed at various points within the working premises. Further, the Company has a dedicated medical facility which includes clinic and a Chief Medical Officer at Karachi to take care of employees and their families' health matters and also advise on preventive health care; along with this following are also some salient features towards health & safety.

- a) We have dedicated 18% of our work space as Green Area. Plants and medium trees are thriving in our building. Our 7th Floor gives a look of a mini forest that attracts birds that are not usually seen in urbanized developments. We look forward to an Eco System right in the middle of the city.
- b) With introduction of Green Area concept, we record 75-80% less pollution than the adjoining area of our building.
- c) We have in-house Water Filtration Plant which ensures that water used by the occupants is free of all impurities and harmful bacteria that erupt at intervals in the water supplied through pipelines.
- d) In-House Water Purification and bottling Plant equipped with state of the art water testing laboratory and On-Duty Chemist ensures a clean, safe and healthy water bottled in a standardized clean environment.
- e) We are very proud to share that we have a general work force of more than 100 persons engaged in facilities management. By strictly following the Safety SOPs, we have completed Accident-Free year.

Above parameters exemplify company's commitment of responsibility for safety and health of all persons grouped in the EFU Family.

Fire Fighting System

A 750 GPM firefighting system has been installed at EFU House, Karachi. The system has been designed to provide effective firefighting access from the ground floor up to the 7th floor of the building. In addition, two breaching inlets have been installed to facilitate fire brigade operations during emergency situations. The complete installation has been carried out in accordance with the applicable provisions of the Building Code of Pakistan and relevant NFPA standards, ensuring compliance with recognized safety and fire protection requirements.

Solar Energy System

A 75-kW solar power system has been installed utilizing the available space within the premises. The system has generated approximately 83,654 electricity units (kWh) to date. Based on system performance data, the installation has resulted in a reduction of approximately 70,887 kg of CO₂ emissions, savings of around 28,440 kg of standard coal, and a deforestation reduction equivalent to 3,911 trees. On an annual basis, this system delivers substantial energy cost savings while supporting environmental sustainability initiatives. To ensure maximum efficiency and consistent power generation, dedicated and trained staff have been assigned for routine monitoring, maintenance, and complete cleaning of the solar panels. We are in the process of installing the second solar panel at our Lahore building.

WHISTLE BLOWING POLICY

In compliance with the Code of Corporate Governance, the Company has adopted a Whistle Blowing Policy. The Company also maintains a Code of Ethics that sets out the standards of conduct expected in the conduct of its business. All employees are required to perform their duties in a manner consistent with the Code.

If an employee becomes aware of any actual or suspected breach of the Code or any unethical or non-compliant conduct, they may report their concerns through the channels prescribed under the Whistle Blowing Policy, including escalation to the Managing Director/Chief Executive Officer, as appropriate.

STATEMENT ON OPERATIONS OF THE BOARD

The Board of Directors is responsible for discharging all duties and functions assigned to it under the Companies Act, 2017, the Code of Corporate Governance and other applicable laws and regulations. The Board provides strategic direction and oversight, approves key policies and plans, and monitors the Company's performance, risk management and compliance framework.

Management is primarily responsible for implementing the strategies, policies, budgets and plans approved by the Board and for managing the day-to-day operations of the Company within delegated authority. Management is also responsible for maintaining proper books of account and preparing financial statements that fairly present the financial position and performance of the Company in accordance with applicable regulatory and legal requirements and relevant accounting standards.

POLICY FOR SAFETY OF RECORDS OF THE COMPANY

The Company complies with the requirements of Section 220 of the Companies Act, 2017 relating to the maintenance of books of account. In addition, the retention of the Company's records is determined based on applicable legal and regulatory requirements as well as administrative and operational needs.

The Company has implemented measures for the secure maintenance and protection of both physical and electronic records. For physical documents, a dedicated record room is maintained at the Head Office for safe custody, with records arranged on pre-numbered racks. Record details, including rack references, are maintained in a record management system, enabling efficient retrieval and traceability.

For electronic records, the Company maintains data backup and recovery arrangements to support business continuity, including secure backups on the cloud and on-site systems, along with a remote Disaster Recovery (DR) site to facilitate timely restoration of critical data in the event of disruption.

BUSINESS CONTINUITY / DISASTER RECOVERY PLAN

The Company recognises that a defined, communicated and tested Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) is critical to minimise the risk of prolonged disruption to business processes and information systems in the event of a disaster. An effective continuity framework also helps mitigate potential financial losses, reputational impact, high resumption costs and loss of business.

Accordingly, the Company has developed a comprehensive Disaster Recovery Plan leveraging cloud-based technology services to support the recovery of critical business functions and core information systems hosted within the Data Centre environment.

The principal objective of the disaster recovery programme is to maintain organisational resilience by developing, testing and documenting a structured and easy-to-follow plan that enables timely restoration of critical systems and continuity of operations following unforeseen emergencies that may interrupt business activities.

The plan is periodically reviewed and tested to ensure that key scenarios are covered, recovery priorities remain appropriate, and responsible personnel are aware of their roles and responsibilities. To support timely and effective recovery, the Company has implemented, inter alia, the following measures:

- Periodic live testing is conducted by relevant departments to validate readiness and response capabilities.
- Regular training is provided to responsible staff to ensure familiarity with DR procedures and escalation protocols.
- Daily data backups are maintained and stored at the DR site using cloud-based backup arrangements to support timely restoration of data and applications.

REGULATORY MONITORING AND COMPLIANCE UPDATES

The Compliance Department maintains an active regulatory monitoring process by regularly reviewing the Securities and Exchange Commission of Pakistan website and other relevant sources for updates, circulars, and amendments in applicable laws and regulations. Identified changes are assessed for impact, and internal policies, procedures, and processes are updated as required to support timely implementation and continued compliance.

ANTI HARASSMENT POLICY TO SAGE THE RIGHTS AND WELLBEING OF EMPLOYEE

The Company has an anti-harassment policy in place to safeguard the rights, dignity and wellbeing of employees. The policy covers various aspects relating to the prevention, reporting and redressal of harassment, and reflects the Company's commitment to maintaining a safe, respectful and professional workplace environment. No complaint regarding the harassment has been received during the year.

EXTERNAL OVERSIGHT / AUDIT OF SYSTEMS

The Company's systems and internal controls are subject to external oversight through statutory audit and independent certification reviews. As part of the annual statutory audit, the external auditors obtain an understanding of internal controls relevant to financial reporting and design audit procedures to test those controls in forming their opinion on the financial statements. Following the audit, the external auditors issue a management letter containing observations and recommendations to further strengthen the effectiveness of the internal control environment. Management reviews these recommendations and ensures timely implementation of agreed actions through responsible functions.

EFU General Insurance is certified under ISO 9001:2015 (Quality Management System) and ISO/IEC 27001:2022 (Information Security Management System). In line with these standards, the Company has implemented documented procedures for service quality assurance, continual improvement, and information security controls to address cybersecurity threats and reduce the risk of security breaches. These arrangements support consistent service delivery, enhance data protection, and strengthen customer confidence.

Independent external assessments are conducted periodically by qualified specialists, including independent chartered accountants/assurance firms, to evaluate compliance with applicable standards and regulatory requirements and to assess the effectiveness of relevant systems and controls. Findings from these reviews are tracked through management action plans and monitored through established governance channels.

THE MANAGEMENT



SITTING LEFT TO RIGHT

Shahzad Sundrani
Amin Punjani
Najmul Hoda Khan

Kamran Arshad Inam
Imran Ahmed
Muhammad Adnan



STANDING LEFT TO RIGHT

Mansoor Abbas Abbasi
Adeel Iqbal
Ali Ghulamali
Sohail Nazir

Pervez Ahmed
Kashif Masood
Badar Ameen Sissodia
Syed Daniyal Abbas Rizvi

OUR PEOPLE



COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the regulatory authorities have been duly complied with.

A statement to this effect is annexed in the report. Details about Board meetings and its attendance.

S.NO.	NAME OF DIRECTORS	NUMBER OF MEETINGS ATTENDED
01	Saifuddin N. Zoomkawala (Non-Executive Director)	04
02	Hasanali Abdullah (Non-Executive Director)	04
03	Taher G. Sachak (Non-Executive Director)	04
04	Saad Bhimjee (Non-Executive Director)	04
05	Tanveer Sultan Moledina (Independent Director)	04
06	Yasmin Hyder (Independent Director)	04
07	Asad Nasir (Non-Executive Director)	04

PRESENCE OF CHAIRMAN - AUDIT COMMITTEE IN THE ANNUAL GENERAL MEETING

The Chairman of the Audit Committee attended the 92nd Annual General Meeting of the Company held on March 25, 2025.

INTERNAL CONTROL FRAMEWORK

The Company's internal control framework comprises interrelated components, including the Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring. Collectively, these components support the design and implementation of a sound system of internal control through effective leadership and governance, the risk management function, internal audit, and compliance.

The Board of Directors and Management are responsible for establishing and maintaining an adequate and effective internal control system and environment. The internal control system consists of policies, procedures, systems and processes designed to identify and mitigate risks and support the achievement of the Company's objectives by providing reasonable assurance in relation to:

- 1. Effectiveness and efficiency of operations
- 2. Reliability and integrity of financial information and reporting
- 3. A prudent and controlled approach to conducting business
- 4. Compliance with applicable laws, regulations, and internal policies



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of EFU General Insurance Limited

Review Report 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 Code of Corporate Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (both herein referred to as 'Codes') prepared by the Board of Directors of EFU General Insurance Limited (the Company) for the year ended 31 December 2025 in accordance with the requirements of Regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Provision (Ixxvi) of Code of Corporate Governance for Insurers, 2016.

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

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

The Codes require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. 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 Codes as applicable to the Company for the year ended 31 December 2025.

Date: 6 March 2026
Karachi
UDIN: CR202510096IBeSYpk59

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF COMPLIANCE
WITH THE CODE OF CORPORATE GOVERNANCE FOR INSURERS, 2016 & LISTED
COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

For the year ended December 31, 2025

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

The Company, being an insurer, has applied the principles contained in the Code and CCG 2019 in the following manner:

1. The total number of Directors are eight (08) as per the following:

a: Male:7

b: Female:1
2. The Company encourages representation of independent, non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

CATEGORY	NAMES
Independent Female Director	Ms. Yasmin Hyder
Independent Director	Mr. Tanveer Sultan Moledina
Non-Executive Directors	Mr. Saifuddin N. Zoomkawala Mr. Hasanali Abdullah Mr. Taher G. Sachak Mr. Saad Bhimjee Mr. Asad Nasir
Executive Director	Mr. Kamran Arshad Inam

The independent directors meet the criteria of independence as laid down under the Code and CCG 2019.

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 stock exchange, has been declared as a defaulter by a stock exchange.

5. The Company has prepared a "Statement of Ethics and Business Practices" as Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and CCG 2019. The decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and the key officers, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman. The Board met at least once in every quarter. The Board has complied with the requirement of the Act and CCG 2019 with respect to frequency, recording and circulating minutes of meeting of the Board. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
9. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and CCG 2019.
10. All Directors of the Company have acquired certification under the Director's training program.
11. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the Code.
12. The Board has arranged Orientation course for its directors during the year to apprise them of their duties and responsibilities.
13. There was no change of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. The Board had approved the remuneration of Chief Financial Officer, Company Secretary and Head of Internal Audit Department.
14. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and CCG 2019 and fully describes the salient matters required to be disclosed.
15. The financial statements of the company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
16. The directors, Chief Executive Officer and other executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.
17. The Company has complied with all the corporate and financial reporting requirements of the Code and CCG 2019.
18. The Board has formed the following Management Committees:

Underwriting Committee:

NAME OF THE MEMBER	CATEGORY
Mr. Kamran Arshad Inam	Chairman
Mr. Imran Ahmed	Member
Mr. Muhammad Sohail Nazir	Member
Mr. Mansoor Abbasi	Member
Mr. Adeel Iqbal	Member

Claim Settlement Committee:

NAME OF THE MEMBER	CATEGORY
Mr. Kamran Arshad Inam	Chairman
Mr. Syed Daniyal Abbas	Member
Mr. Badar Amin Sissodia	Member
Mr. Farrukh Aamir Baig	Member
Mr. Subhash Kumar	Member

Reinsurance & Co-insurance Committee:

NAME OF THE MEMBER	CATEGORY
Mr. Kamran Arshad Inam	Chairman
Mr. Najmul Hoda Khan	Member
Mr. Mansoor Abbasi	Member
Mr. Imran Ahmed	Member
Mr. Muhammad Sohail Nazir	Member
Mr. Pervez Ahmed	Member
Mr. Adeel Iqbal	Member

Risk Management & Compliance Committee:

NAME OF THE MEMBER	CATEGORY
Mr. Kamran Arshad Inam	Chairman
Mr. Najmul Hoda Khan	Member
Mr. Imran Ahmed	Member
Mr. Muhammad Sohail Nazir	Member
Mr. Mansoor Abbasi	Member
Mr. Atif Anwar	Member
Mr. Ali Ghulam Ali	Member
Mr. Amin Punjani	Member
Mr. Adeel Iqbal	Member
Mr. Shahzad Sundrani	Member

19. The Board has formed the following Board Committees:

Ethics, Human Resource and Remuneration Committee:

NAME OF THE MEMBER	CATEGORY
Ms. Yasmin Hyder	Chairperson - Independent Director
Mr. Saifuddin N. Zoomkawala	Member - Non-Executive Director
Mr. Hasanali Abdullah	Member - Non-Executive Director
Mr. Kamran Arshad Inam	Member - Managing Director and Chief Executive Officer

Investment Committee:

NAME OF THE MEMBER	CATEGORY
Mr. Hasanali Abdullah	Chairman - Non-Executive Director
Mr. Saifuddin N. Zoomkawala	Member - Non-Executive Director
Mr. Taher G. Sachak	Member - Non-Executive Director
Mr. Kamran Arshad Inam	Member - Managing Director and Chief Executive Officer
Mr. Najmul Hoda Khan	Member - Chief Financial Officer

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

Audit Committee:

NAME OF THE MEMBER	CATEGORY
Mr. Tanveer Sultan Moledina	Chairman - Independent Director
Mr. Hasanali Abdullah	Member - Non-Executive Director
Mr. Taher G. Sachak	Member - Non-Executive Director
Ms. Yasmin Hyder	Member - Independent Director
Mr. Asad Nasir	Member - Non-Executive Director

21. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
22. The meetings of the Committees, except Ethics, Human Resource and Remuneration Committee, were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The meetings of Ethics, Human Resource and Remuneration Committee were held twice during the year.

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

NAME OF THE PERSON	DESIGNATION
Mr. Kamran Arshad Inam	Chief Executive Officer
Mr. Najmul Hoda Khan	Chief Financial Officer
Mr. Amin Punjani	Company Secretary, Compliance and Risk Officer
Mr. Ali Ghulam Ali	Head of Internal Audit
Mr. Imran Ahmed	Head of Underwriting – Motor
Mr. Sohail Nazir	Head of Underwriting - Marine, Aviation & Transport
Mr. Mansoor Abbassi	Head of Underwriting - Fire and Property Damage
Mr. Adeel Iqbal	Head of Underwriting – Miscellaneous
Mr. Pervez Ahmed	Head of Reinsurance
Mr. Badar Amin Sissodia	Head of Claims and Grievance Function

25. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No, XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors 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, CCG 2019 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 provisions of the Code.
28. The Board ensures that the risk management system of the Company is in place as per the requirements of the 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 PACRA and AM Best which are being used by risk management function and risk management & compliance committee as a risk-monitoring tool. The rating assigned by PACRA on May 9, 2025 is A++ with stable outlook while the rating assigned by AM Best on August 14, 2025 is B with stable outlook.
31. The Board has set up a grievance function, which fully complies with the requirements of the Code.

32. The Company has not obtained any exemption from the Securities and Exchange Commission of Pakistan 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 CCG 2019 and all material principles contained in the Code have been complied with; and
34. Explanation for non-compliance with requirements of CCG 2019 other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as follows:

REGULATION	REQUIREMENT	EXPLANATION FOR NOT MEETING NON-MANDATORY REQUIREMENTS
10A	Environmental, Social and Governance (ESG) matters The board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee	The functions of ESG Committee are being performed by the Ethics, Human Resource and Remuneration Committee having one female director.
29	Nomination Committee The Board may constitute a separate committee designated as the nomination committee.	The functions of Nominations Committee are being performed by the Board.

The independent directors are appointed in terms of Section 166 (3) of the Companies Act, 2017 (the “Act”) through the process of election prescribed under Section 159 of the Act.

The Board has fixed the number of directors to be elected as seven (7) which includes two (2) independent directors who were duly elected by the shareholders in their extraordinary general meeting held on July 7, 2023. The Board of Directors have appointed a Chief Executive Officer who is a deemed director in terms of Section 188 of the Act.

The fraction arrived at while calculating the one-third of Independent Directors has not been rounded up to one as the Board believes and understands that two (2) independent directors are sufficient and have requisite competencies, skills, knowledge, and experience to fulfill their obligations as per requirements of the applicable law and regulations and does not warrant the appointment of a third independent Director.

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Director

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman



04

ENVIRONMENTAL,
SOCIAL &
GOVERNANCE
(ESG) / SUSTAINABILITY
STRATEGY

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) / SUSTAINABILITY STRATEGY

As a trusted insurer, EFU General is committed to supporting positive outcomes for society and contributing to Pakistan’s economic progress while upholding high standards of corporate responsibility and ethical conduct. This report outlines the Company’s ESG/sustainability strategy and its impact on employees, customers, business partners, regulators and the broader communities in which the Company operates. The strategy aims to embed ESG considerations into business practices and decision-making, including initiatives that promote responsible conduct, strengthen human capital and service standards, and support environmentally responsible practices relevant to the Company’s operations.

Oversight of ESG matters is provided at the Board level. The Board has assigned ESG responsibilities to a designated Board sub-committee, which monitors key ESG priorities and reports to the Board at least annually on progress and on the integration of sustainability principles into the Company’s strategy and operations to support long-term value creation.

Chairman’s Overview on Sustainable Practices

At EFU General Insurance, we recognise that sustainability is not only a responsibility—it is a key enabler of long-term value creation. Our commitment to environmental, social and governance (ESG) practices strengthens business resilience, enhances stakeholder trust and supports sustainable returns for shareholders.

We are embedding ESG considerations into our governance and decision-making processes to identify and manage sustainability-related risks and opportunities, improve operational efficiency and service quality, and promote responsible business conduct. We continue to invest in our people, maintain high standards of ethics and compliance, and support initiatives that contribute positively to the communities in which we operate.

Looking ahead, we will continue to reinforce our sustainability agenda through stronger oversight, measurable actions and transparent disclosures, ensuring that EFU General remains well-positioned to serve customers and stakeholders while creating long-term, sustainable value.

Environmental and social initiatives

In line with its ESG agenda, EFU General remains committed to supporting philanthropic organisations and community partners working on environmental and social initiatives aligned with relevant Sustainable Development Goals (SDGs), thereby contributing to inclusive and sustainable development.

The Company also promotes the responsible use of resources and the preservation of the environment. Through initiatives that encourage energy efficiency and, where feasible, adoption of cleaner and renewable energy solutions, improved water stewardship, resilience and safety in infrastructure, and greater awareness of climate-related risks, the Company aims to reduce its environmental footprint and contribute to long-term environmental sustainability.

Going forward, the Company will continue to strengthen collaboration with credible partners and prioritise initiatives that deliver measurable outcomes for communities and the environment.

Our SDG focus areas include:

- No Poverty
 - Good Health and Well-Being
 - Quality Education
 - Gender Equality
- Clean Water and Sanitation
 - Decent Work and Economic Growth
 - Industry, Innovation and Infrastructure
 - Reduced Inequalities
 - Partnerships for the goals

Social Responsibility

EFU General’s commitment to social responsibility remains steadfast and continues to guide our efforts to create a meaningful and lasting impact in society. Through a range of initiatives, we support improved access to healthcare, education—particularly for persons with disabilities—vocational training leading to employability, gender equality, and the promotion of diversity and inclusion.

Our ESG strategy seeks to respond to key social challenges and contribute to a more inclusive and resilient society. As we continue to strengthen and expand these initiatives, we aim to support communities in building opportunity, enhancing wellbeing, and fostering social equity—so that individuals can thrive and contribute to a brighter tomorrow.

Details of the Company’s CSR initiatives are presented in the CSR section of this Annual Report.

Governance Excellence

EFU General remains committed to upholding high standards of corporate governance, integrity and transparency across all aspects of its operations. The Company’s governance framework is designed to promote accountability, ethical conduct, effective oversight and regulatory compliance, thereby supporting sound decision-making and prudent risk management.

As we move forward, we will continue to strengthen governance practices to enhance stakeholder confidence and support the creation of long-term value for shareholders, employees, customers and other stakeholders.

Transparency and Disclosure:

EFU General remains committed to transparent communication and robust disclosure practices. By providing stakeholders with timely, accurate and balanced information on the Company’s operations, performance, governance and key risks, we strengthen trust and confidence and uphold the principles of accountability and responsible stewardship.

Risk Management:

EFU General continues to strengthen its risk management framework to identify, assess and mitigate ESG-related risks and opportunities. This includes integrating ESG considerations into risk assessments, implementing appropriate mitigation and control measures, and monitoring and reporting ESG-related risks and their potential impact on the Company’s operations, financial performance and long-term sustainability.

Ethics and Compliance:

By maintaining a robust Code of Conduct, providing ongoing ethics and compliance training, and implementing secure channels for reporting ethical concerns, EFU General promotes compliance with applicable laws and regulations and protects individuals who report suspected misconduct in good faith.

Board Oversight:

The Board of Directors continues to provide vigilant oversight and strategic guidance to ensure alignment with applicable legal requirements, industry standards and stakeholder expectations. By setting strategic direction, overseeing risk management and internal controls, and monitoring compliance with regulatory requirements, the Board plays a key role in promoting responsible and sustainable business practices and long-term value creation.

Stakeholder Engagement:

EFU General continues to strengthen stakeholder engagement to better understand stakeholder needs, concerns and expectations and to support informed decision-making. The Company engages stakeholders through appropriate and effective communication channels, including regular consultations and feedback mechanisms. Relevant insights are considered in the development and refinement of ESG priorities, policies and initiatives to ensure inclusivity, transparency and responsiveness.

Employee Health & Medical Facilities

EFU General provides health and medical facilities to its employees, including access to medical support and healthcare benefits, as part of its commitment to employee wellbeing and a safe, supportive workplace.

Environmental Initiatives and Resource Efficiency

EFU General continues to strengthen environmental stewardship by embedding resource efficiency into its operations. Key initiatives include integrating the 3Rs (Reduce, Reuse, Recycle), reducing paper consumption by printing and reusing paper on both sides, and conserving water through the installation of automatic/sensor taps.

To further reduce the Company's reliance on fossil fuels, EFU General has installed the solar power system in its Karachi building and is in the process of installing a solar power system for electricity generation at Lahore building.

Workplace Safety and Infrastructure Resilience

Firefighting system enhancement: A 750 GPM firefighting system has been installed at EFU House, Karachi. The system has been designed to provide effective firefighting access from the ground floor up to the 7th floor of the building. In addition, two breaching inlets have been installed to facilitate fire brigade operations during emergency situations. The complete installation has been carried out in accordance with the applicable provisions of the Building Code of Pakistan and relevant NFPA standards, ensuring compliance with recognized safety and fire protection requirements.

Structural integrity assessment: Given the age of the building (constructed approximately 70 years ago), a detailed structural integrity study is conducted. The report includes recommendations and actions required to enhance the building's lifespan and ensure the safety of employees and visitors.

Energy efficiency in lighting: The building lighting design is under review with the objective of rationalising power consumption and improving energy efficiency.

Digitalisation and Technology-Enabled Sustainability

To support operational efficiency, better cost control and improved maintenance planning, a facility maintenance software has been developed to enhance execution tracking and record management. EFU General also continues to expand digitalisation initiatives—such as the introduction of e-policy—to reduce paper usage and support more sustainable service delivery.

Insurance-related sustainability-related risks and opportunities:

The insurance sector is increasingly influenced by sustainability-related factors, particularly climate change, resource constraints, regulatory developments and evolving stakeholder expectations. These factors can affect insurers through underwriting and claims outcomes, investment performance, operational resilience, and reputation and compliance. EFU General assesses these sustainability-related risks and opportunities as part of its risk management and strategic planning processes to protect financial stability and support long-term growth.

Sustainability-related risks for EFU General

- Climate and catastrophe risk (physical risk)**
 - What it is: Increased frequency/severity of floods, heatwaves, severe rainfall, storms and other extreme events.
 - Potential impact: Higher claims frequency/severity, reserve pressure, volatility in underwriting results, business interruption in affected regions, and potential premium adequacy challenges.
 - Management response: Portfolio monitoring and diversification, underwriting discipline, pricing adequacy review, reinsurance optimisation, claims preparedness and scenario-based risk assessments.
- Transition and regulatory risk**
 - What it is: Evolving climate and sustainability regulation, reporting expectations, and market conduct requirements; potential policy shifts affecting industries and insured exposures.
 - Potential impact: Compliance cost, changes in product terms/pricing, possible restrictions/requirements for certain risks, and heightened disclosure expectations.
 - Management response: Compliance monitoring, policy updates, governance oversight, and strengthening data and reporting readiness (including ESG disclosures).
- Asset and investment risk**
 - What it is: Market volatility and potential repricing of assets exposed to climate/transition risks; concentration risks in certain sectors; interest rate/inflation dynamics affecting insurer investment returns.
 - Potential impact: Volatility in investment income and capital position, potential impairment/valuation changes, and reputational considerations around responsible investment expectations.
 - Management response: Investment policy oversight, asset allocation and concentration limits, credit monitoring, and periodic portfolio reviews by the Board-level Investment Committee.
- Resource scarcity and operational resilience**
 - What it is: Energy constraints, water stress and supply disruptions; increased cost of utilities and services; climate events impacting offices and operations.
 - Potential impact: Higher operating costs, service interruptions, and resilience/continuity challenges.
 - Management response: Efficiency initiatives (energy, water, paper reduction), business continuity and disaster recovery planning, and infrastructure safety improvements.
- Reputational and conduct risk**
 - What it is: Increasing expectations for ethical conduct, transparency, customer fairness, and responsible business practices; heightened scrutiny of ESG claims and disclosures.
 - Potential impact: Loss of stakeholder confidence, regulatory actions, and brand damage if expectations are not met.
 - Management response: Strong governance and ethics framework, stakeholder engagement, transparent reporting, and clear policies and controls (including complaints/grievance handling).
- Changing customer expectations and product relevance**
 - What it is: Shifts in consumer and corporate customer expectations for digital, transparent and responsible insurance solutions, including climate-related coverage needs.
 - Potential impact: Reduced competitiveness if products/services do not evolve; pressure on retention and growth.
 - Management response: Product review and innovation, improved digital service delivery (e.g., e-policy), and enhanced customer engagement and responsiveness.

Sustainability-related opportunities for EFU General

- Climate-resilient and inclusive insurance solutions**
 - Opportunity: Develop or enhance products/coverages and risk services that support resilience (e.g., risk prevention guidance, improved claims responsiveness, tailored covers for emerging needs).
 - Value impact: Portfolio growth, stronger retention, improved customer trust and differentiation.
- Operational efficiency and cost optimisation**
 - Opportunity: Energy efficiency, solar adoption, reduced paper use (digitisation), and improved facilities management can reduce operating costs and environmental footprint.
 - Value impact: Lower costs, improved resilience and stronger sustainability credentials.
- Stronger stakeholder trust and market reputation**
 - Opportunity: Transparent ESG governance and credible community/CSR initiatives aligned with SDGs can strengthen brand equity and stakeholder confidence.
 - Value impact: Enhanced reputation, improved customer and partner loyalty, and better talent attraction/retention.
- Improved risk selection and pricing through better data**
 - Opportunity: Enhancing data, analytics and risk assessment capabilities (including climate-related considerations) can improve underwriting quality and claims outcomes.
 - Value impact: Better loss ratio management and earnings stability over time.
- Responsible investment and long-term capital strength**
 - Opportunity: Strengthening investment governance and integrating sustainability considerations where relevant can support long-term portfolio quality and resilience.
 - Value impact: More stable investment performance and reduced exposure to concentration and transition risks.

Integration into governance and risk management

Sustainability-related risks and opportunities are considered within the Company’s overall risk management framework and are reviewed through management and Board oversight mechanisms. Where material, these factors inform underwriting discipline, reinsurance strategy, investment oversight, operational resilience planning, and ESG initiatives and disclosures.

Financial Impact of Sustainable Practices

Risk Mitigation & Cost Efficiency

Sustainable underwriting practices, enhanced climate risk assessments, and prudent investment governance help reduce exposure to potential financial losses arising from environmental, regulatory and transition-related risks. In addition, operational sustainability measures—such as energy efficiency initiatives, digitisation (including paperless processes), and technology-enabled controls—support cost optimisation, improve process efficiency, and strengthen business continuity, thereby contributing positively to profitability over the long term.

Market Competitiveness & Revenue Growth

A stronger sustainability focus supports competitiveness by aligning the Company’s offerings and service standards with evolving customer and stakeholder expectations. Product and process improvements, responsible business conduct, and enhanced transparency can strengthen customer trust and loyalty, improve retention, and support long-term revenue stability. Where relevant, sustainability-led initiatives and partnerships may also enable access to new segments and opportunities in the market.

Regulatory Compliance & Investor Confidence

Proactive monitoring of sustainability-related regulatory expectations and strengthened governance helps minimise compliance risk, potential penalties and reputational impact. Transparent reporting and credible ESG practices enhance stakeholder confidence, support stronger engagement with investors and partners, and reinforce the Company’s overall risk profile—contributing to improved access to capital and long-term resilience.



SUSTAINABILITY REPORT
ENVIRONMENTAL FRAMEWORK

ENVIRONMENTAL	GHG Emissions	EFU General Insurance does not have material direct greenhouse gas (GHG) emissions as its core operations are service-based and non-industrial in nature. Emissions primarily arise from office operations, electricity consumption, business travel, and company-owned vehicles. The GHG emissions for the scope 1 (including petrol consumption for vehicles and diesel consumption for electricity generation, natural gas for chillers etc) for the year is 3,695 MT/year.
	Emissions Intensity	For every PKR 1 billion in premium written, the Company generates approximately 80.3 metric tons of GHG emissions annually.
	Energy Usage	Energy consumption mainly relates to electricity usage at head office, lahore building, branches, fuel consumption for vehicles & backup power generation. The Company encourages efficient energy usage across its operations. The units consumed at our head office and Lahore Building are as follows: Karachi Main Office: 1,044,368 units Lahore Building Consumption: 1,534,040 units (214,913 units by EFU, 1,319,127 units by Tenants)
	Energy Intensity	For every PKR 1 billion in premium written, the Company consumes approximately 27,376 kWh of energy.
	Energy Mix	Energy usage primarily comprises electricity sourced from the renewable energy sourced from solar panels, HVAC, national grid and supplemented by backup generators (where required). EFU General continues to explore opportunities for energy efficiency and responsible energy use by using energy efficient equipment.

ENVIRONMENTAL	Water Usage	Water consumption is limited to office facilities and does not involve any industrial usage. EFU General promotes responsible water usage practices across all locations by using automatic taps in washroom etc. Reverse osmosis plant has been installed during the year.
	Environmental Operations	The company continuously plans to reduce paper usage, minimize plastic consumption, increase green plantation, and ensure the efficient use of lighting and other resources. We are continuously working to strengthen our energy management practices to ensure the efficient use of electricity and other energy resources."the quantity of waste generated is minimal and primarily consists of paper and general office waste. Currently, approximately 60–70% of total waste is recycled or reused, mainly paper. In the previous comparative period, the recycling rate was approximately 50–60%, reflecting our ongoing efforts to improve waste management practices
	Environmental Oversight	Environmental and sustainability-related matters are overseen by senior management of the company.
	Sustainable Sourcing	Most of our reinsurers are complying with the carbon emission and reductions policies.
	Climate Risk Mitigation and Adaptation	EFU General Insurance remains committed to proactive environmental stewardship by implementing measures aimed at minimizing its climate impact. These initiatives include enhancing the use of renewable energy, reducing paper consumption through end-to-end digitization of operations, optimizing water and energy usage across offices, and supporting plantation and other green initiatives. In addition, the Company integrates climate considerations into its underwriting and risk management processes, promotes climate-resilient practices through responsible claims management, encourages sustainable procurement and vendor practices, and leverages digital platforms to reduce travel-related emissions.

SUSTAINABILITY REPORT
SOCIAL FRAMEWORK

SOCIAL	Gender Pay Ratio	The male-to-female gender pay ratio of the Company is 1.29:1.
	Employee Turnover	The employee turnover ratio of the Company was 3.2%.
	Gender Diversity	Total Workforce Composition: Men represent 89.34% of the total enterprise headcount, while women account for 10.66%. Entry and Mid-Level Positions: At the entry and mid-level, 87.88% of positions are held by men and 12.13% by women. Senior and Executive Leadership: Senior and executive-level roles are predominantly held by men (96.39%), with women representing 3.61% of these positions."
	Non-Discrimination	The Company has policies in place that address sexual harassment, non-discrimination, and promote a respectful and inclusive workplace. Further, we have established confidential grievance, reporting, and resolution mechanisms to address incidents of harassment and workplace misconduct, with safeguards to ensure non-retaliation against complainants.
	Global Health & Safety	The Company is committed to maintaining a safe and healthy workplace through the implementation of appropriate health and safety practices, risk management measures, and employee well-being initiatives.
	Child & Forced Labor	The Company is committed to preventing child labour and upholding ethical labour practices across its operations.

SOCIAL	Corporate Social Responsibility	The Company discloses its corporate social responsibility (CSR) initiatives in detail in the CSR section of the Annual Report.
	Employee training and Succession Planning	During the year, the Company organized 59 training sessions, with 1,481 employees participating. These programs were designed to enhance employee skills, including training on health and safety and other professional development areas.
	Human Rights	The Company follows human rights principles through its Code of Conduct, HR policies, and compliance with applicable laws and regulations.
	Working Conditions	The Company maintains satisfactory working conditions supported by established policies, employee engagement practices, and internal grievance mechanisms. No complaint was received during the period.
	Injury Rate	No workplace injuries were reported during the reporting period. The Company also offers health insurance coverage and medical OPD support for employees.
	Marketing	The Company follows responsible and gender-sensitive communication practices as part of its broader corporate policies and ethical standards.

SUSTAINABILITY REPORT
GOVERNANCE FRAMEWORK

GOVERNANCE	Board Diversity	Board Comprises of 8 Directors (87.5%) including 1 woman Director (12.5%). There are three Board Committees. 2 Committees Chairs are man (67%) while 1 Committee is Chaired by woman (33%).
	Board Independence	Board is Chaired by non executive Director. There are Two independent Directors on the Board.
	Board Competence	Board members collectively possess expertise in insurance, finance, risk management, governance, and regulatory matters. This diverse skill set supports effective strategic direction, oversight, and decision-making. During the year, Company had arranged the training on ESG for the Board members.
	Collective Bargaining	5.6% headcount is covered by collective bargaining agreement.
	Supplier Code of Conduct	Vendor and service provider engagement is managed through established procurement practices that focus on legal compliance and ethical business conduct.
	Ethics & Anti-Corruption	EFU General follows a formal Code of Conduct and Ethics Policy, which includes provisions on anti-corruption, conflict of interest, and ethical business practices. Compliance is monitored and enforced through internal controls and disciplinary procedures.
	Data Privacy	The Company has implemented data privacy and information security policies to safeguard customer, employee, and business information, in compliance with applicable laws, regulations, and internal IT security standards.
	Sustainability Reporting	EFU General currently discloses sustainability-related information through its Annual Report and other regulatory disclosures. The Company is enhancing its sustainability reporting practices in line with evolving standards
	Disclosure Practices	The Company supports selected UN Sustainable Development Goals through its business activities, corporate responsibility initiatives, and community engagement programs, particularly those related to responsible business practices and climate resilience.

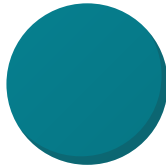
SUSTAINABILITY-RELATED

RISKS AND OPPORTUNITIES (CLIMATE- RELATED RISKS AND OPPORTUNITIES) AND THEIR IMPACT ON THE FINANCIAL PERFORMANCE IN THE SHORT, MEDIUM AND LONG TERM AND HOW THESE ARE MANAGED OR MITIGATED;

EFU General Insurance Limited recognizes that sustainability-related risks and opportunities, including climate-related matters, may affect the Company's underwriting, claims experience, operations, compliance requirements and long-term business performance. As a general insurer, the Company considers these matters as part of its overall risk management and strategic review processes.



In the **Short Term**, sustainability-related and climate-related risks may affect claims frequency and severity, operating costs, and customer demand, which may impact underwriting results and profitability. At the same time, these developments may create opportunities to strengthen pricing, improve risk selection and enhance product relevance.



In the **Medium Term**, changing climate patterns, regulatory developments and evolving stakeholder expectations may influence the Company's underwriting approach, portfolio mix, reinsurance arrangements and operational preparedness. These factors may also affect claims trends and the overall risk profile of certain lines of business.



In the **Long Term**, climate change and broader sustainability trends may lead to structural shifts in risk patterns, insurance demand, regulatory expectations and market opportunities. This may increase exposure to catastrophe-related risks, while also creating opportunities for product innovation, improved risk advisory and stronger market positioning.



The Company manages and mitigates these risks through prudent underwriting and pricing practices, reinsurance protections, review of claims trends, monitoring of legal and regulatory developments, strengthening of internal controls and business continuity arrangements, and ongoing assessment of emerging risks.

The Company will continue to enhance its assessment and reporting of sustainability-related and climate-related risks and opportunities in line with evolving regulatory expectations and business requirements.

DISCLOSURE ON FOUR-PILLARS CORE
CONTENT AND COMPANY-SPECIFIC METRICS

EFU General Insurance Limited considers sustainability-related matters, including climate-related risks and opportunities, through a structured framework based on the four core pillars of Governance, Strategy, Risk Management, and Metrics & Targets. This framework supports informed decision-making, strengthens operational resilience, and enables the Company to monitor performance and progress in relation to key sustainability-related matters.

Pillar	Disclosure	EFU-Specific Metrics / Indicators	Performance / Progress Monitoring
Governance	The Board of Directors oversees sustainability-related matters, including climate-related risks and opportunities, as part of its overall governance and risk oversight responsibilities. Relevant Board committees and senior management support implementation, review material matters, and monitor compliance, resilience and control effectiveness.	Board / committee reviews sustainability-related matters; internal audit observations; status of corrective actions; regulatory compliance matters; key control exceptions; third-party IT audit observations.	Periodic reporting to the Board and relevant committees; internal audit follow-up; compliance reviews; monitoring of remediation status and control improvements.
Strategy	Sustainability-related considerations are incorporated, where relevant, into the Company's underwriting approach, operational planning, digitalization initiatives, service standards and long-term business priorities. The Company evaluates changing market conditions, customer expectations, climate-related developments, operational efficiency and regulatory trends in shaping its strategic direction.	Portfolio mix and diversification; product relevance; digital process improvements; service efficiency measures; reduction in paper-based workflows; operational improvement initiatives.	Management review of strategic initiatives; progress tracking of operational and digitalization projects; periodic assessment of service and process enhancements.

Pillar	Disclosure	EFU-Specific Metrics / Indicators	Performance / Progress Monitoring
Risk Management	Sustainability-related and climate-related risks are considered within the Company's broader risk management framework. These are identified, assessed and managed through established processes relating to underwriting, claims, reinsurance, compliance, internal controls, IT safeguards and business continuity arrangements.	Claims frequency and severity; weather / catastrophe-related claims trends; loss ratio trends; concentration of exposure by class of business; adequacy of reinsurance protections; business continuity readiness.	Review of underwriting and claims experience; reinsurance program reviews; exposure monitoring; operational resilience assessments; periodic review of emerging risks.
Metrics & Targets	The Company uses relevant internal indicators to monitor resilience, performance, service delivery and control effectiveness. These measures help identify areas requiring attention and support continuous improvement in governance, operations and risk management.	Claims settlement turnaround time; complaint volumes and resolution timelines; system availability; cybersecurity incident monitoring; backup success rates; recovery testing results; employee training sessions; employee participation in training; compliance awareness initiatives.	Periodic management dashboards; trend analysis; IT and operational reviews; comparison against internal benchmarks; review of exceptions and implementation of corrective actions, where required.

The above framework enables EFU General Insurance Limited to monitor sustainability-related matters in a structured and practical manner. Through ongoing oversight, periodic review of relevant indicators, and integration of these matters into governance, strategy and risk management processes, the Company continues to strengthen its resilience, improve operational effectiveness and support long-term sustainable business performance.

ADOPTION OF THE SECP'S ESG DISCLOSURE GUIDELINES

EFU General Insurance Limited has adopted the principles of the SECP's ESG Disclosure Guidelines for Listed Companies and presents ESG-related disclosures as part of its Annual Report. Through these disclosures, the Company reports on relevant sustainability-related matters, including governance oversight, strategic priorities, operational initiatives and key performance areas. The Board encourages continued enhancement of ESG reporting and periodically reviews the Company's progress in this area to support transparency, accountability and long-term sustainable business practices.

The Board of Directors of EFU General Insurance Limited has assigned sustainability-related responsibilities to the Ethics, Human Resource and Remuneration Committee. In this capacity, the Committee assists the Board in overseeing relevant sustainability and ESG-related matters, including workplace wellbeing, employee-related initiatives, governance-linked sustainability priorities and related policy oversight. This enables sustainability-related considerations to be reviewed within the Company's existing governance structure and supports periodic monitoring of progress by the Board and management.

The Ethics, Human Resource and Remuneration Committee has been entrusted with sustainability-related oversight and reports to the Board, at least once a year, on the Company's progress in embedding sustainability principles into its strategy and operations. The report covers key sustainability-related initiatives, governance measures, employee-related programs and other relevant actions undertaken to enhance long-term sustainability, operational resilience and corporate value. The Board reviews such updates as part of its broader oversight of the Company's governance and strategic priorities.

BOARD'S STATEMENT ON THE ADOPTION OF CSR BEST PRACTICES

The Board of Directors of EFU General Insurance Limited acknowledges its commitment to the adoption and promotion of sound Corporate Social Responsibility (CSR) best practices as part of the Company's broader governance, sustainability and stakeholder stewardship framework. The Board recognizes that responsible business practices contribute to long-term value creation, strengthen stakeholder confidence, and support the Company's standing as a responsible corporate citizen.

The Company promotes CSR through initiatives aimed at employee wellbeing, responsible resource utilization, workplace welfare, community support and sustainable operational improvements. In this regard, EFU General has undertaken measures such as providing health insurance facilities for employees, maintaining employee wellness support including a gym facility, installing an RO plant for safe drinking water, tree plantation, water conservency and installing a solar plant to support efficient energy usage and reduce dependence on conventional power sources. These initiatives reflect the Company's commitment to employee welfare, operational resilience and environmentally responsible practices.

In addition, the Company also extends support to the wider community by making donations to charitable institutions and welfare initiatives, particularly in areas such as health, education and support for underprivileged and deserving persons. Through such contributions, the Company seeks to play a constructive role in supporting social wellbeing and community development.

The Board considers that the adoption of such CSR and sustainable practices can have a positive effect on the Company's financial performance over the short, medium and long term. In the short term, these measures may improve employee wellbeing, workplace efficiency and operational continuity. Over the medium to long term, they may contribute to better employee engagement and retention, improved productivity, stronger corporate reputation, more efficient resource utilization, enhanced stakeholder confidence and stronger long-term business resilience. Collectively, these factors support the Company's operational effectiveness and sustainable business performance.

HIGHLIGHTS OF THE COMPANY'S PERFORMANCE, POLICIES, INITIATIVES FOR CSR

EFU General Insurance Limited remains committed to responsible corporate conduct and to promoting CSR as part of its broader governance and sustainability framework. The Company's CSR approach is guided by its commitment to employee wellbeing, community support, responsible resource use and sustainable business practices.

The Company also contributes to social wellbeing through donations to charitable institutions and welfare initiatives, particularly in the areas of health, education and support for underprivileged and deserving persons. These contributions reflect the Company's commitment to making a positive contribution beyond its core business operations. During the year 2025, EFU have given donations amounting to Rs. 18 million to various charitable institutions. Details of these institutions are provided in the CSR section of Annual Report.

During the year, the Company continued to support employee welfare through a range of initiatives, including provision of health insurance facilities, trainings, foreign trips, departmental picnic and dinners, women's day, session on breast cancer awareness, employee wellness support through a gym facility, and installation of an RO plant to provide safe drinking water. In addition, the Company has installed a solar plant to support efficient energy usage and promote environmentally responsible operational practices.

EFU General also supports responsible workplace practices through employee development, training and awareness initiatives, with emphasis on maintaining a healthy, inclusive and supportive working environment. The Company's CSR-related measures are periodically reviewed by management as part of its ongoing efforts to strengthen employee welfare, operational resilience and stakeholder confidence.

Through these policies and initiatives, the Company seeks to create long-term value by supporting people, community wellbeing and sustainable operational improvement.



05
CORPORATE
SOCIAL
RESPONSIBILITY
(CSR)

CORPORATE SOCIAL RESPONSIBILITY (CSR)

"EFU General believes to be a responsible Corporate Citizen. It provides support to various organization creating impact on social landscape of the Country."

AGA KHAN HOSPITAL & MEDICAL COLLEGE FOUNDATION



The Aga Khan Hospital and Medical College Foundation supports the Aga Khan University Hospital's healthcare and academic mission. It operates to improve access, quality, and impact in medical care and education. It is structured as a Section 42 not-for-profit entity.



KARACHI VOCATIONAL TRAINING CENTRE (KVTC)



KVTC is a Karachi-based vocational training and special education for differently abled and intellectually challenged youth. It is widely recognized as a pioneer in Pakistan in this area. Its work emphasizes skills development, inclusion, and employability.



INDUS HOSPITAL & HEALTH NETWORK



Indus Hospital & Health Network is a healthcare organization providing quality treatment free of cost across Pakistan. It has grown from a single hospital into a nationwide network of hospitals, blood centers, rehab centers, and public health programs. Its mission centers on accessible healthcare for underserved communities.



THE KIDNEY CENTRE



The Kidney Centre is a hospital in Karachi focused on kidney and related diseases. Starting in 1985 as a small dialysis unit, it has expanded into a full-service facility offering nephrology, urology, dialysis, and transplant-related care. It is known for dedicated renal healthcare and patient support.



ABDUL SATTAR EDHI FOUNDATION



The Edhi Foundation is one of Pakistan's most renowned humanitarian charities, providing welfare, healthcare, ambulance, shelter, and social support services. Founded by Abdul Sattar Edhi, it serves vulnerable communities across the country and beyond. It is especially known for its large emergency response and welfare network.



AKHUWAT



Akhuwat is working to reduce poverty through interest-free microfinance, social guidance, and capacity building. Founded in 2001, it has expanded widely across Pakistan. Its model is built around dignity, inclusion, and community-based.



AFZAAL MEMORIAL THALASSEMIA FOUNDATION



Afzaal Memorial Thalassemia Foundation (AMTF) is supporting children and families affected by thalassemia and blood disorders. Established in 2003, it provides specialized care through its thalassemia center and related support programs. Its work focuses on treatment, awareness, and long-term patient care.



AZIZ TABBA FOUNDATION



Aziz Tabb Foundation is a welfare organization supporting vulnerable communities through financial aid, education assistance, scholarships, and social support programs. It works to ease hardship and create opportunities for deserving individuals. Its initiatives include help for students, widows, and low-income families.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

BAIT UL SUKOON CANCER HOSPITAL



Bait-ul-Sukoon is a Karachi-based cancer hospital providing cancer treatment free of cost. It describes itself as Pakistan's only free cancer hospital with a hospice model. Its services support both active treatment and compassionate end-of-life care.



CHILDLIFE FOUNDATION



ChildLife Foundation is a pediatric emergency care in Pakistan. It operates children's emergency rooms, telemedicine networks, and preventive health initiatives, especially through public hospitals. Its broader goal is to reduce child mortality by making quality emergency care available free and round the clock.



THE CITIZENS FOUNDATION (TCF)



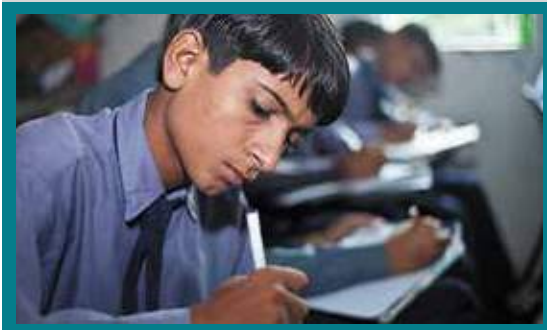
TCF is one of Pakistan's leading organizations, focused on quality schooling for underprivileged children. It operates a large network of school units across the country and aims to remove barriers of class and privilege through education. Its work also contributes to community development and long-term social mobility.



FAKHR-E-IMDAD FOUNDATION



Fakhr-e-Imdad Foundation is a non-profit organization established in 2000. It works primarily in social welfare and education, including school projects and assistance for underserved communities. Its mission is centered on improving lives through structured charitable support.



FRIENDS OF THE BURNS CENTRE



Friends of the Burns Centre is a patient welfare society supporting the Burns Centre at Dr. Ruth K. M. Pfau Civil Hospital Karachi. It works in collaboration with the Government of Sindh as a public-private welfare initiative. The organization helps sustain specialized burn treatment services aligned with international standards.



FRIENDS OF PINK RIBBON (WOMEN'S EMPOWERMENT GROUP)



This refers to the charitable platform associated with Pink Ribbon Pakistan focused on breast cancer awareness, patient support, and early detection. It has nationwide outreach and works through advocacy, awareness campaigns, and service delivery. The "Women's Empowerment Group" name appears tied to the trust structure supporting this cause.



LAYTON REHMATULLAH BENEVOLENT TRUST (LRBT)



LRBT is one of Pakistan's best-known eye care charities, dedicated to fighting blindness and preventable vision loss. Established in 1984, it runs a large network of hospitals and primary eye care centers. It is recognized for providing free eye treatment to low-income patients nationwide.



LYALLPUR LITERARY COUNCIL



Lyallpur Literary Council is a cultural and literary organization. It works to preserve and promote heritage, literature, history, arts, and culture, especially in relation to Lyallpur (Faisalabad). It also organizes conferences and cultural forums for scholars and the public.



**MEMON MEDICAL
INSTITUTE**



Memon Medical Institute Hospital is a Karachi-based tertiary care hospital. It was established to provide quality healthcare regardless of a patient's ability to pay. The institution combines treatment, education, and healthcare infrastructure development.



SIUT TRUST



SIUT Trust is the charitable trust associated with Sindh Institute of Urology and Transplantation. Created to support the public, it helps provide medical facilities and financial assistance, especially in specialized treatment areas. SIUT is widely known for delivering care free of cost with dignity and compassion.



**SHAUKAT KHANUM
MEMORIAL TRUST**



Shaukat Khanum Memorial Trust is the charitable body behind Shaukat Khanum Memorial Cancer Hospitals and related cancer care initiatives in Pakistan. It supports awareness, diagnosis, and treatment through specialized cancer facilities. Its mission is to make quality cancer care accessible to deserving patients regardless of financial means.



**THE PATIENTS'
AID FOUNDATION**



Patients' Aid Foundation is a non-profit formed in 1990 to support patients at Jinnah Postgraduate Medical Centre (JPMC), Karachi. It works to improve public healthcare infrastructure and provide free treatment access for economically disadvantaged patients. Its role has been central in upgrading facilities and patient support services.



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

The Board recognizes that responsible business practices, effective governance, and sustainable operations contribute to long-term enterprise value, stronger stakeholder confidence, and improved financial resilience. The Company's CSR and sustainability approach is therefore aligned with its governance framework, business strategy, and risk management practices.

BOARD COMMITMENT AND GOVERNANCE

The Board is committed to promoting responsible corporate conduct and ensuring that sustainability considerations are embedded into decision-making, where relevant to the Company's operations and stakeholders. Through the committee mandate, sustainability related matters are reviewed, including workplace practices, stakeholder wellbeing, compliance culture, environmental efficiency initiatives, and community support.

GOVERNANCE PRACTICES BEYOND LEGAL COMPLIANCE

The Company continues to promote a culture of compliance, ethics, and accountability through regular training of officers and functional heads, implementation of governance policies, and adherence to applicable legal and regulatory requirements. The governance framework is supported by internal controls, Board oversight, policy communication, and periodic monitoring to strengthen operational integrity and responsible conduct.

ENERGY CONSERVATION

The Company undertakes periodic internal reviews of energy usage and monitors trends through regular internal reporting. Energy conservation measures include the use of energy-efficient electrical equipment, controlled operation of HVAC systems, and employee awareness practices aimed at minimizing unnecessary consumption, including switching off lights and non-essential equipment when not in use.

WATER CONSERVATION

Water efficiency measures are incorporated through the use of water-saving fixtures and controlled consumption practices at office locations. These initiatives are intended to reduce avoidable water usage and encourage responsible resource management.

ENVIRONMENTAL RESPONSIBILITY

As a service-based organization, the Company's direct environmental footprint is relatively limited compared to manufacturing-intensive industries; however, the Company remains mindful of its environmental responsibilities. It promotes a cleaner workplace, resource efficiency, digitization where feasible, and awareness of environmentally responsible practices within its operations. The Company also recognizes that climate-related developments may influence underwriting exposure, claims trends, and reinsurance costs over time, and these factors are relevant to long-term risk assessment.

CONSUMER PROTECTION

Customer trust remains central to the Company's business model. The Company seeks to protect policyholders' interests through fair dealing, transparent communication, reliable claims servicing, and continued emphasis on service quality. Long-standing customer relationships, repeat business, and referrals reflect the importance the Company places on consistency, credibility, and honoring commitments.

QUALITY ASSURANCE

The Company believes that quality service is achieved through defined standards, process ownership, continuous review, and staff accountability. Departmental and branch leadership monitor operational processes and service delivery standards. In line with established quality management practices, the Company continues to strengthen quality assurance through:

- defined quality policies and objectives;
- internal reviews and audit observations;
- data analysis and corrective actions;
- management review processes;
- employee training and development; and
- customer feedback and service monitoring.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

The Company continues to contribute to the national economy through payment of taxes, duties, levies, and statutory charges. During the year, the Company contributed Rs. 10.8 billion to the national exchequer in the form of applicable federal, provincial, and other statutory payments.

NATURAL CATASTROPHE RISK AND RESILIENCE

Natural catastrophes, including floods, earthquakes, storms, and other severe weather events, may materially affect insured portfolios, claims experience, reinsurance costs, and underwriting strategy. The Company therefore treats catastrophe exposure as an important part of its overall risk management framework.

To assess potential insured losses from catastrophe perils, the Company uses technical evaluation methods, exposure analysis, portfolio monitoring, and reinsurance structuring to estimate possible loss scenarios and support decision-making. These assessments help management evaluate concentration risk, retention levels, treaty adequacy, and capital protection strategies.

Given the evolving nature of climate-related risks and the uncertainty of historical loss patterns in Pakistan, the Company continues to review catastrophe assumptions and align its property reinsurance arrangements with the risk profile of its portfolio. This approach supports underwriting resilience, solvency protection, and continuity of operations in the event of major loss activity. The Company's catastrophe risk management is further supported by prudent reinsurance planning and periodic review of accumulations in exposed zones.

A person wearing a blue suit is playing Jenga with wooden blocks on a white table. The person's hands are visible, carefully placing a block on top of a tall, slightly wobbly stack. Several blocks have fallen off the stack and are scattered on the table in the foreground. The background is a soft, out-of-focus indoor setting with natural light.

06

MANAGEMENT
REPRESENTATIONS
& Outlook

AWARDS & RECOGNITIONS

At EFU General, excellence is not just a goal it is our standard. Our unwavering commitment to innovation, customer trust, and industry leadership has earned us numerous accolades over the years. These prestigious awards serve as a testament to our dedication to delivering superior insurance solutions, maintaining the highest service standards, and setting new benchmarks in the industry. Each recognition reinforces our promise to safeguard our clients with integrity, resilience, and excellence.



AWARDS & RECOGNITIONS

MAP CORPORATE EXCELLENCE AWARD 2025

EFU General was honoured as the Winner in the General Insurance category at the MAP Corporate Excellence Awards 2025. Presented by the prestigious Management Association of Pakistan (MAP), the award recognizes organizations that demonstrate outstanding corporate performance, strong governance practices, and excellence in management. Securing first place in its category reflects EFU General's continued commitment to operational excellence, strategic leadership, and sustainable growth within Pakistan's insurance industry.



12TH FPCCI ACHIEVEMENT AWARD 2025

EFU General was honoured with the 12th FPCCI Achievement Award 2025, recognizing the company's contribution to Pakistan's economic landscape and the insurance sector. Presented by the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), the award acknowledges organizations that demonstrate excellence in business performance, industry leadership, and contribution to national development.



22ND NFEH ENVIRONMENT EXCELLENCE AWARD 2025

EFU General was honoured at the 22nd NFEH Environment Excellence Award 2025 in recognition of its commitment to environmental responsibility and sustainable business practices. Organized by the National Forum for Environment and Health (NFEH), the award acknowledges organizations that demonstrate leadership in promoting environmental stewardship, compliance with environmental standards, and responsible operational practices. This recognition reflects EFU General's ongoing efforts to integrate sustainability considerations within its corporate ethos.



15TH NFEH ANNUAL FIRE SAFETY AWARD 2025

At the 15th Annual Fire Safety Awards 2025, EFU General was recognized for its emphasis on workplace safety and adherence to fire prevention and safety standards. The awards celebrate organizations that implement robust safety protocols and promote awareness regarding fire safety and risk management. This recognition reflects EFU General's continued focus on maintaining safe and secure working environments.



BRANDS ICON OF THE YEAR AWARD 2025

EFU General was recognized as Brands Icon of the Year 2025, acknowledging the company's enduring market presence, brand strength, and customer trust. The award celebrates organizations that demonstrate leadership in brand excellence, innovation, and sustained reputation in their respective industries. This honour highlights EFU General's legacy of reliability and its continued relevance in Pakistan's evolving insurance landscape.



ICAP & ICMA BEST CORPORATE & SUSTAINABILITY REPORT AWARD 2024

EFU General received recognition at the Best Corporate & Sustainability Report Award for the year 2024, which acknowledge excellence in corporate transparency, accountability, and sustainability reporting. Jointly organized by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMA), the awards celebrate organizations that uphold the highest standards of disclosure and governance in their annual reporting practices.



SAFA BEST PRESENTED ANNUAL REPORT AWARD 2024

EFU General was honoured at the SAFA Best Presented Annual Report Award 2024 for excellence in financial reporting and corporate disclosure. Organized by the South Asian Federation of Accountants (SAFA), the awards recognize organizations across the region that demonstrate high standards of transparency, clarity, and accountability in their annual reports. This distinction reflects EFU General's continued commitment to best practices in corporate reporting.



17TH NFEH CORPORATE SOCIAL RESPONSIBILITY AWARD 2025

EFU General was honoured with the 17th Corporate Social Responsibility Award 2025, recognizing the company's dedication to responsible corporate citizenship and community development initiatives. The award highlights organizations that actively contribute to social well-being through impactful CSR programs, ethical business conduct, and community engagement. This acknowledgement reinforces EFU General's commitment to creating sustainable value for society alongside its business growth.



MEMBERSHIPS OF INDUSTRY, ASSOCIATIONS AND TRADE BODIES

Key benefits of joining a trade association is the ability to support the mission of the organization and possibly influence legislation that affects the industry. These industry associations help provide a forum for networking, training and education, certifications, influence, spreading best practices, exchange of thoughts and information, building relationship across the board. The Company is associated with various chambers of commerce, associations, forums, and trade bodies to be able to actively play key role in addressing the issues concerning the organization and business community at large. EFU General Insurance Limited being the oldest Insurance Company feels pride in its association with the following bodies:

- Insurance Association of Pakistan
- Pakistan Business Council
- Management Association of Pakistan
- Marketing Association of Pakistan
- Pakistan Institute of Corporate Governance
- Federation of Pakistan German Chamber of Commerce & Industry
- Pakistan Belgium & Luxemburg Business Forum
- Karachi Chamber of Commerce and Industry
- Rawalpindi Chamber of Commerce and Industry
- Islamabad Chamber of Commerce and Industry
- Pak China Joint Chamber of Commerce
- The Pakistan National Committee of the International Chamber of Commerce & Industry
- Pakistan Insurance Institute
- Employers Federation of Pakistan

BUSINESS RATIONALE FOR MAJOR CAPITAL EXPENDITURE

During 2025, EFU General's major capital expenditure remained primarily focused on Information Technology, aligned with the Company's strategy to strengthen operational resilience, service quality, and long-term efficiency. Investments were made to enhance and modernize the IT environment—including core insurance platforms, cybersecurity controls, data management and analytics capabilities, infrastructure upgrades, and digital channels—to improve automation, reduce manual processing, and enable faster and more accurate service delivery to customers and distribution partners. These initiatives support cost optimisation through streamlined workflows, improved turnaround times for underwriting and claims, and stronger business continuity and disaster recovery readiness.

In addition, the Company continued to invest in the renovation and refurbishment of selected branches and the head office to improve customer experience and employee well being. These upgrades were aimed at creating a more efficient, accessible, and customer-friendly service environment, while also supporting safer and more productive workplaces for employees through improved layout, facilities, and operational functionality.

COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Company complies with the applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), which are essential for the true and fair preparation and presentation of financial information. Compliance with IFRS supports transparency and consistency in financial reporting and ensures that adequate disclosures are made in the financial statements to facilitate informed decision-making by stakeholders.

The financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB), as adopted in Pakistan and applicable to the Company. The status of adoption and compliance with IFRS, along with relevant bases of preparation and significant accounting policies, are explained in Note 2.1 of the annexed unconsolidated and consolidated financial statements.

STRATEGIC OBJECTIVES

- Sustain market leadership and disciplined growth:** Retain and strengthen EFU General's leadership position through profitable underwriting, prudent risk selection, and improved retention across key lines.
- Diversify and enhance the product portfolio:** Expand and refine product offerings and coverage solutions to address evolving customer needs, emerging risks, and new market segments, while deepening penetration in existing segments.
- Accelerate digital transformation and operational efficiency:** Continue investment in technology to improve customer journeys, enhance underwriting and claims turnaround times, strengthen data analytics, and reduce cost-to-serve through automation.
- Strengthen claims excellence and customer experience:** Enhance claims servicing capabilities, partner networks, and service standards to ensure timely, fair, and transparent claim settlements and improved stakeholder satisfaction.
- Reinforce risk management, governance, and compliance:** Maintain strong enterprise risk management, reinsurance optimisation, and robust regulatory compliance, including controls around financial reporting, conduct, AML/CFT, and cybersecurity.
- Develop people and build a high-performance culture:** Enhance corporate capabilities through targeted learning and development, leadership and succession planning, performance-based rewards, and employee wellbeing initiatives.

RESOURCE ALLOCATION

The Company follows a prudent approach to resource allocation and primarily relies on internally generated funds to support strategic initiatives and business expansion. Resources are planned through the annual budgeting process and are allocated to priority areas including underwriting capacity, claims servicing, technology enhancement, branch network development, and human capital.

Management is authorised to deploy approved resources efficiently in line with the Board-approved strategy and budgets. While the Board provides oversight through governance frameworks, policies, and periodic performance reviews, day-to-day operational decisions and utilisation of resources remain the responsibility of management to ensure timely execution, accountability, and professional conduct of business.

CHANGES IN OBJECTIVES / STRATEGIES FROM PRIOR YEARS

There were no significant changes in the Company's strategic objectives and overall business strategy during the year as compared to prior years. The Company continued to focus on disciplined growth, service excellence, technology-led efficiency, strong risk management, and talent development in line with its long-term direction.

KEY PERFORMANCE INDICATORS (KPIs) OF THE COMPANY

The Company remains focused on sustaining its position as the preferred insurer and maintaining leadership in Pakistan’s general insurance industry. In line with the Company’s stated objectives, management monitors performance through the following key indicators:

- **Improving underwriting results:** Focus on disciplined risk selection, portfolio optimisation, pricing adequacy, and loss ratio management, supported by product and segment-level performance monitoring and reinsurance optimisation. Business teams continue to strengthen existing accounts while exploring growth opportunities in underpenetrated segments and geographies.
- **Improving overhead efficiency:** Continuous focus on cost discipline and productivity through process standardisation, digitalisation and automation, improved procurement controls, and rationalisation of operational expenses to enhance the expense ratio and cost-to-serve.
- **Maintaining market leadership:** Strengthening the Company’s market presence through brand credibility, diversified product lines, distribution strength, service consistency, and prudent growth aligned with profitability and risk appetite.
- **Customer satisfaction and service quality:** Monitoring turnaround times and service levels across key touchpoints (policy issuance, endorsements, renewals, and claims). Continued focus on transparent communication, timely claims handling, complaint management, and strengthening digital channels to enhance customer experience.
- **Increasing shareholders’ wealth:** Sustained focus on profitability, capital efficiency, solvency strength, and sustainable growth to enhance shareholder returns and long-term Company value.
- **Managing investment income:** Active management of the investment portfolio through an appropriate asset mix, credit quality focus, liquidity management and duration positioning, aligned with the Company’s risk appetite and prevailing economic and market conditions.
- **Sustainability and climate-related risk management:** Integrating sustainability considerations into business decisions by strengthening ESG governance, enhancing climate and catastrophe risk assessment within underwriting and reinsurance planning, and supporting responsible operations through resource efficiency and improved environmental practices (e.g., reduced paper usage through digitisation). The Company also monitors progress through relevant sustainability disclosures and stakeholder engagement initiatives, aligned with applicable regulatory and reporting expectations.

CAPITAL STRUCTURE

The Company maintains a strong financial base supported by prudent capital management and robust solvency levels. The Company’s solvency as at 31 December 2025 was Rs. 19.97 billion against the minimum required solvency of Rs. 4.25 billion, reflecting an excess of Rs.15.72 billion over the minimum required level. This strong solvency position supports business growth, policyholder protection, and resilience against adverse market and claims experience.

OWNERSHIP, OPERATING STRUCTURE AND RELATIONSHIP WITH GROUP COMPANIES, AND NUMBER OF COUNTRIES OF OPERATION

EFU General Insurance Limited incorporated in 1932 is listed on the Pakistan Stock Exchange and is engaged in non-life insurance business (including fire & property damage, marine, aviation and transport, motor and miscellaneous lines).

CORPORATE RESTRUCTURING, EXPANSION AND DISCONTINUANCE

During the year, the Company did not undertake any corporate restructuring or discontinuance of any major business segment. The Company has no approved plans for corporate restructuring, significant expansion, or discontinuance as at the reporting date.

OWNERSHIP STRUCTURE (AS AT 31 DECEMBER 2025)

The ownership distribution of the Company is disclosed in the “Pattern of Shareholding” as at 31 December 2025 in the annual report / statutory shareholding statement.

OPERATING STRUCTURE

- Holding company: EFU General Insurance Limited (non-life insurance operations).
- Window Takaful Operations: Undertaken under approval granted by the Securities and Exchange Commission of Pakistan (approved on 16 April 2015).

RELATIONSHIP WITH GROUP COMPANIES (SUBSIDIARY / ASSOCIATED UNDERTAKINGS)

- Subsidiary: EFU Life Assurance Limited is a subsidiary of the Company (effective 31 March 2018) and is consolidated in the group financial statements.

NUMBER OF COUNTRIES IN WHICH THE
ORGANIZATION OPERATES

The Company's operations are primarily based in Pakistan.

STATEMENT OF MANAGEMENT RESPONSIBILITIES
FOR PREPARATION AND PRESENTATION OF
FINANCIAL STATEMENTS

The Management is responsible for the preparation and fair presentation of the financial statements of the Company 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). This responsibility includes the design, implementation and maintenance of appropriate internal control relevant to the preparation and presentation 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.

The Board of Directors, through its oversight functions (including the Audit Committee, where applicable), is responsible for overseeing the Company's financial reporting process, including monitoring the integrity of financial statements, the effectiveness of internal controls, and compliance with applicable laws and regulations.

Management has established and maintains a system of internal control designed to provide reasonable assurance that the Company's assets are safeguarded against loss from unauthorised use or disposition, and that proper accounting records are maintained for the preparation of reliable financial information. Management also recognises its responsibility to conduct the Company's affairs in compliance with applicable laws and regulations and to maintain appropriate standards of business conduct.

The financial statements have been audited by the external auditors appointed by the shareholders in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. The external auditors have issued their audit report on these financial statements. The financial statements are signed by the Chairman, Chief Executive Officer, Chief Financial Officer and Directors, as required under applicable laws and regulations.

DISCLOSURE OF BENEFICIAL OWNERSHIP
(INCLUDING INDIRECT OWNERSHIP) AND
GROUP STRUCTURE

The Company ensures transparency of ownership in line with applicable legal and regulatory requirements. Details of beneficial ownership, including indirect holdings (where shares are held through intermediaries, nominees, custodians or other arrangements), are disclosed in the annual report and statutory filings, based on declarations and information received from shareholders and intermediaries, where applicable.

The Pattern of Shareholding as at the reporting date provides the distribution of shareholding across categories (e.g., directors, executives, associated companies/undertakings, institutions, individuals, and others), while disclosures relating to beneficial (including indirect) ownership are presented in accordance with applicable regulatory requirements and the information available to the Company.

MAJOR SHAREHOLDERS

SHAREHOLDERS	% of Shareholding
*Jahangir Siddiqui & Co. Ltd.	21.10%
Muneer Bhimjee	14.44%
Managing Committee Of Ebrahim Alibhai Foundation	12.02%
Rafique Bhimjee	11.10%
Energy Infrastructure Holding Pvt Ltd.	7.54%

*Jahangir Siddiqui & Co. Ltd. is the holding Company of JS Group. Other details are available in Pattern of shareholding.

GROUP STRUCTURE AND RELATIONSHIPS

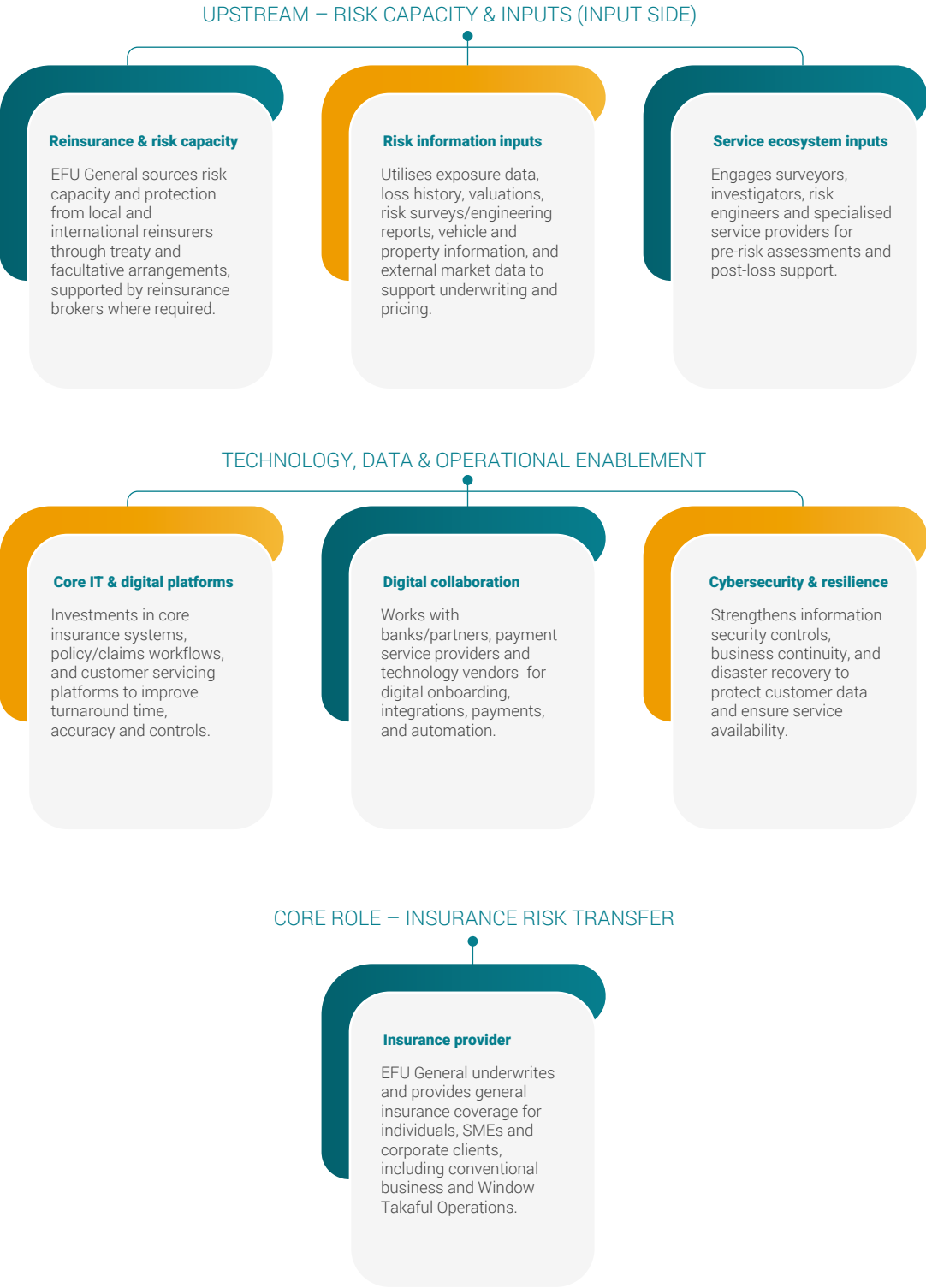
EFU Life Assurance Limited: EFU General Insurance Limited holds a significant stake and control in EFU Life Assurance Limited, effectively making it a subsidiary.

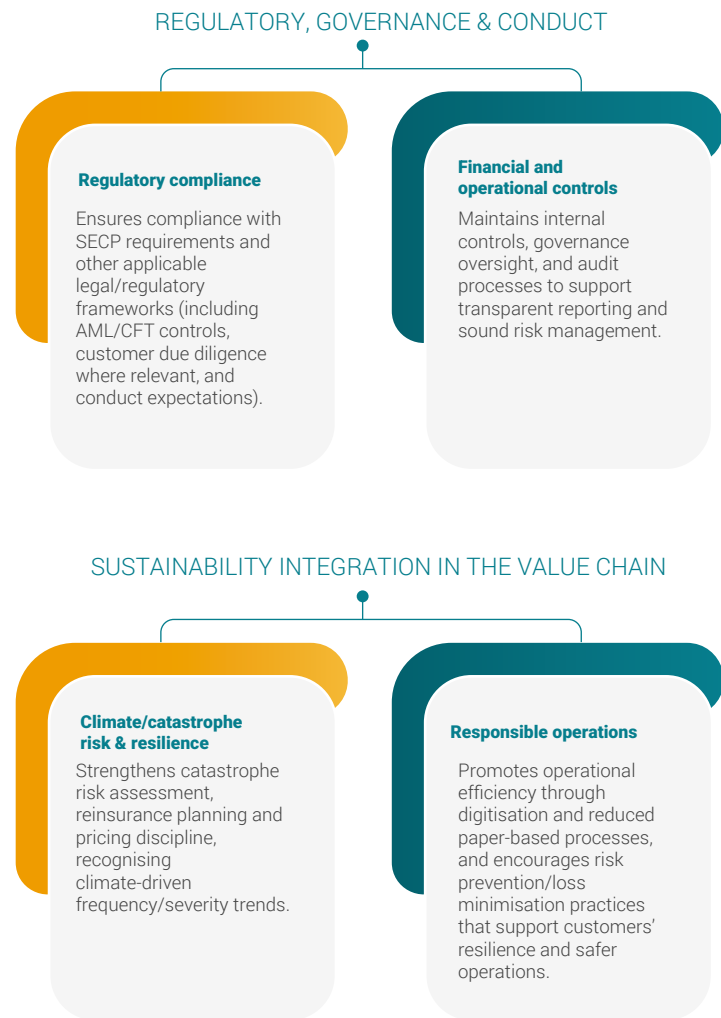
A general review of the Performance of the Company, including its subsidiary and major improvements from last year.

The Earnings per share of EFU General and EFU Life are as follows:

COMPANY NAME	2025	2024
EFU General Insurance Limited	Rs. 26.49	Rs. 18.56
EFU Life Assurance Limited	Rs. 23.26	Rs. 28.79

POSITION OF EFU GENERAL INSURANCE
LIMITED IN THE VALUE CHAIN





EFFECT OF SEASONALITY ON BUSINESS IN TERMS OF SALES

Seasonality influences the Company's sales patterns, primarily due to renewal cycles, customer activity levels and business/travel trends. Key seasonal factors include:

- Year-end / renewal cycle: A significant portion of corporate and commercial portfolios renew around clients' financial year-ends, resulting in relatively higher premium bookings during peak renewal months.
- Travel seasons: Travel insurance volumes generally increase during peak holiday periods (e.g., summer vacations and year-end holidays) due to higher outbound travel.

LEGITIMATE NEEDS AND INTERESTS OF KEY STAKEHOLDERS AND INDUSTRY TRENDS

EFU General Insurance Limited operates in a rapidly evolving insurance market and aims to balance stakeholder expectations through fair value delivery, strong governance and responsible risk-taking.

KEY STAKEHOLDERS

- **Customers (corporate, SME and retail):** Need reliable risk protection, clear policy terms, fair pricing, quick policy issuance/endorsements, and timely, transparent claims settlement with accessible service channels (branches, partners and digital).
- **Shareholders and investors:** Expect sustainable profitability, prudent underwriting, sound capital and solvency, strong governance, and transparent financial and non-financial disclosures.
- **Regulators and public institutions:** Expect full compliance with insurance laws and prudential requirements, market conduct, consumer protection, and robust AML/CFT controls and reporting.
- **Employees and management:** *Seek a safe, inclusive workplace:* competitive rewards; capability building; clear performance expectations; and opportunities for progression.
- **Distribution partners (agents, brokers, bancassurance/partners):** Require competitive products, efficient onboarding/issuance, responsive support, fair remuneration structures, and strong after-sales/claims coordination.
- **Reinsurers and service partners (surveyors, workshops, adjusters, vendors):** Need disciplined underwriting, quality data and reporting, strong claims governance, timely settlements, and long-term relationship stability.

INDUSTRY TRENDS SHAPING PRIORITIES

- **Digitalisation and automation across the insurance value chain:** The market is moving toward more digital policy and claims processes, supported by regulator-led initiatives such as motor insurance repository, purchase through apps and website etc.
- **Higher focus on sustainability and climate risk:** Pakistan’s market is increasingly attentive to catastrophe / climate exposures and risk financing solutions, including improved modelling and innovative structures.
- **Sustainability-related financial disclosures becoming more important:** Securities and Exchange Commission of Pakistan has notified phased adoption of IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), increasing expectations around governance, risk management, metrics and targets—particularly climate-related disclosure—over time.
- **Stronger compliance expectations (AML/CFT and conduct):** Continued regulatory emphasis on AML/CFT frameworks and supervision increases the importance of customer due diligence, controls, training and monitoring for insurers and intermediaries.
- **Product and channel evolution:** Growing competition, customer preference for convenience, and partner-led distribution continue to push insurers toward simpler products, faster servicing and enhanced digital journeys, while maintaining underwriting discipline and claims service quality.

SIGNIFICANT EVENT DURING THE YEAR AND AFTER REPORTING PERIOD

Subsequent to the reporting date, geopolitical tensions in the Middle East escalated significantly following the outbreak of war. As Pakistan Stock Exchange (PSX) reacted to increased uncertainty, equity markets experienced volatility, with declines observed across several scrips and sectors. EFU holds investments in publicly listed companies, that are exposed to market conditions. Preliminary assessments indicate that the fair value of certain investments may have declined after the reporting date. Management continues to monitor the situation closely and is undertaking a detailed assessment of the financial implications.

CAPABILITIES AND RESOURCES PROVIDING SUSTAINABLE COMPETITIVE ADVANTAGE AND VALUE CREATION

EFU General Insurance Limited has developed strong capabilities and resources that support sustainable competitive advantage and long-term value creation for policyholders, shareholders and other stakeholders. Key strengths include:

- **Robust financial base and disciplined performance:** The Company has maintained strong operating performance over recent years, supported by prudent underwriting, effective risk management and sound capital planning. Relevant financial trends are presented in the Financial Analysis section of this report.
- **Established brand and market presence:** A long-standing presence in Pakistan’s insurance market strengthens customer confidence, supports retention and enables business growth across retail and corporate segments.
- **Diversified portfolio and underwriting expertise:** Broad product coverage across key lines (motor, property/fire, marine, engineering, travel and other classes) and experienced underwriting teams enable risk-appropriate pricing, portfolio optimisation and resilience through market cycles.
- **Strong claims servicing and partner ecosystem:** Well-structured claims processes, supported by an extensive network of surveyors, workshops, investigators, medical/repair providers (where applicable), and legal partners, help deliver timely, fair and transparent claim settlements—strengthening trust and customer loyalty.
- **Reinsurance strength and risk capacity management:** Long-term relationships with reputable reinsurers and disciplined reinsurance structuring enhance the Company’s capacity to underwrite large and complex risks, manage volatility, and protect solvency.
- **Technology and digital capability:** Continued investment in IT systems, automation, data management and cybersecurity improves customer experience, reduces turnaround times, strengthen controls, and lowers cost-to-serve—supporting scalable growth.
- **Strong governance, compliance and risk management culture:** Effective oversight frameworks, internal controls, regulatory compliance focus, and enterprise risk management enhance operational stability and protect stakeholders’ interests.
- **People, culture and capability building:** Professional and experienced teams, continuous learning, performance management and leadership development strengthen execution capability and enable consistent service and underwriting quality across the organisation.
- **Sustainability and resilience orientation:** Increasing focus on climate/catastrophe risk assessment, loss prevention, and responsible operations (including digitisation and resource efficiency) supports long-term resilience and sustainable value creation.



07

STRATEGY &
RESOURCE
ALLOCATION

LIQUIDITY MANAGEMENT STRATEGY

The Company prudently manages its liquidity to ensure that it is able to meet all obligations as they fall due, including claims payments, operating expenses and other commitments. Liquidity is primarily supported through cash flows generated from core insurance operations, complemented by investment income and other receipts.

The Company maintains an appropriate level of liquid assets and follows a disciplined investment approach with due consideration to asset quality, diversification and maturity profiles to ensure timely availability of funds. Liquidity is monitored on an ongoing basis through cash flow forecasting and management reporting, and is aligned with the Company's risk appetite and regulatory requirements.

SIGNIFICANT CHANGES IN ASSETS & LIABILITIES

The Company's performance during the year showed improvement compared to the preceding year, details of which are presented in the Directors' Report. The Company's total assets increased by 9% compared to last year. In addition, Window Takaful Operations' assets increased by 26% over the corresponding period.

Overall, the change in the asset base was mainly driven by the growth in the insurance portfolio and related receivables, movements in investments and cash balances, and changes in insurance contract liabilities and other payables in line with business volumes and claims activity.

STRATEGIES IN PLACE TO ACHIEVE OBJECTIVES

Our strategy is focused on delivering sustainable and profitable growth in an increasingly competitive and evolving business environment, while maintaining EFU General's leading position in the industry. In addition to writing conventional and takaful business, we are strengthening our focus on markets and customer segments where we have a competitive edge and can offer a superior value proposition through disciplined underwriting, strong service delivery, and effective risk management.

The Company continues to grow its Window Takaful Operations and remains committed to expanding its presence in this segment. We expect the takaful market to continue expanding in the coming years, supported by increasing customer preference for Shariah-compliant solutions, wider distribution, and greater awareness. Our strategy is to build on this momentum by enhancing product offerings, improving customer journeys, and strengthening partner and branch-level capabilities.

RESOURCE ALLOCATION

Effective resource allocation remains central to EFU General Insurance Limited (EFUG)'s ability to sustain profitable growth, maintain financial resilience, and deliver consistent service quality. EFUG continues to allocate resources across the capitals required to meet stakeholder expectations, strengthen operational capability, and respond to evolving risk, regulatory, and customer environments.

FINANCIAL CAPITAL

EFUG prioritizes prudent capital allocation to ensure timely claims settlement capacity, maintain solvency and liquidity buffers, and support day-to-day operations. Investment resources are allocated with a focus on security, diversification, and alignment with risk appetite, while targeted funding is directed to digitalization, underwriting capability, and service enhancements to improve efficiency and customer experience.



HUMAN CAPITAL

We remain focused on attracting, developing, and retaining skilled talent through structured hiring, technical and leadership training, and performance-driven people practices. Investments in learning and development strengthen underwriting, claims, risk management, and customer-facing capabilities, supporting consistent execution and service delivery across the Company.



INTELLECTUAL CAPITAL

EFUG continues to invest in systems, data, and process improvements that strengthen underwriting discipline, claims management, compliance, and governance. Enhanced analytics and market intelligence support better risk selection, pricing adequacy, and product refinement. Ongoing investments in policies, controls, and regulatory readiness reinforce strong compliance culture and operational integrity.



SOCIAL AND RELATIONSHIP CAPITAL

We allocate resources to deepen customer trust and improve accessibility through responsive service channels, transparent communication, and complaint-resolution mechanisms. EFUG also continues to strengthen relationships with reinsurers, brokers, banks, corporate partners, and other stakeholders to enhance distribution, underwriting capacity, and service reliability. Community engagement initiatives reinforce our role as a responsible corporate citizen.

This balanced approach to resource allocation supports EFUG's strategic objectives, strengthens resilience, and enables the Company to deliver sustainable value to policyholders, shareholders, employees, regulators, and wider stakeholders in 2026.



ANALYSIS OF PRIOR PERIOD’S
FORWARD-LOOKING DISCLOSURE

In the prior period, the Company articulated financial and strategic targets for 2025, including sustaining its ambition to remain among the largest and best-performing insurers in Pakistan’s non-life insurance sector. We are pleased to report that the Company continued to maintain its leading position in Pakistan’s non-life insurance market during 2025, supported by disciplined underwriting, a strong claims service framework, continued focus on customer-centric growth and prudent investments.

Looking into 2026, the Company’s forward-looking priorities remain centered on sustaining market leadership while strengthening profitability, resilience, and service quality. Key areas of focus include prudent risk selection and pricing adequacy, portfolio diversification, operational efficiency through technology and process improvements, and continued investment in people and governance. While our strategic direction remains consistent, the achievement of future targets is subject to external factors such as macroeconomic and geo-political conditions, inflation and interest rate trends, regulatory developments, competitive intensity, and claims experience including catastrophe and climate-related events.

Accordingly, EFUG will continue to monitor these evolving conditions and refine its plans to remain on track with its long-term objectives and stakeholder expectations.

The key performance indicators set to achieve management objectives focused on maximizing customer satisfaction, enhancing shareholder value, and maintaining market leadership.

Simultaneously, the company continued implementing a robust Enterprise Risk Management (ERM) program.

To cultivate a supportive and motivating work environment, the Company has established formal policies prioritizing employee well-being. These policies include access to healthcare, insurance, clean water, open communication, and professional development through training programs. Last year, the Company successfully implemented Human Resource software and conducted technical and leadership training for employees.

The Management remains vigilant in assessing business needs and implementing strategic measures to protect stakeholder interests.

FORWARD-LOOKING STATEMENT FOR 2026

In 2026, the Company anticipates steady growth in gross written premium, net earned premium and profitability over the short to medium term, supported by stronger digital adoption across distribution and servicing, continued focus on customer-centric solutions, disciplined underwriting, product innovation, and expansion of strategic partnerships (including bancassurance, brokers and corporate alliances).

Over the long term, EFUG expects additional growth opportunities through technology-enabled products and analytics-driven underwriting, greater automation in claims and servicing, and potential regulatory-led market developments that strengthen insurance penetration and compliance standards. The Company also expects increasing relevance of climate and catastrophe-responsive solutions, including risk mitigation advisory, parametric or event-based covers (where feasible), and enhanced property and engineering propositions aligned to emerging climate exposures.

Key risks to these expectations include regulatory and taxation changes, prolonged macroeconomic stress (inflation, interest rate volatility, currency pressures and reduced business activity), intensified competition impacting pricing adequacy, and higher frequency/severity of climate-related and catastrophe claims. The Company will continue to manage these risks through portfolio diversification, prudent reinsurance arrangements, strengthened risk governance, ongoing technology investment, and active monitoring of market and regulatory developments.

SOURCES & ASSUMPTIONS FOR PROJECTION

The Company’s projections are prepared using a combination of historical performance trends, actuarial and risk models, claims and exposure analytics, and management’s business plans and budgets. Assumptions also incorporate regulatory developments and guidance, industry and macroeconomic indicators (including inflation, interest rates, exchange rate trends and overall economic activity), and market intelligence from customer insights, competitor behavior, and distribution partner feedback.

Key projection assumptions include premium growth and retention, pricing adequacy, loss and expense ratios, reinsurance terms and capacity, investment income expectations, and claims experience, including catastrophe and climate-related impacts. Projections are subject to uncertainty, and outcomes may differ due to changes in the operating environment, regulation, competitive conditions, or claims severity/frequency.

STATUS OF ONGOING PROJECTS, FUTURE
RESEARCH & DEVELOPMENT INITIATIVES

The Company continues to progress key business and technology initiatives aimed at strengthening underwriting discipline, improving claims efficiency, enhancing customer experience, and expanding distribution partnerships. In parallel, we remain focused on continuous product development and refinement to respond to evolving customer needs, emerging risk trends (including climate-related exposures), and regulatory requirements. Our research and development priorities include technology-enabled solutions, data-driven pricing and risk assessment, process automation, and customer-centric product innovation—supported by robust governance to ensure compliance, fairness, and sustainable growth.

GOVERNMENT’S POLICIES RELATED TO
INSURANCE SECTOR AND IMPACT
ON PERFORMANCE

The regulatory environment for the insurance sector in Pakistan continues to evolve, with the Securities and Exchange Commission of Pakistan (SECP) playing the central role in issuing and updating the rules, regulations, and supervisory expectations that shape insurers’ operating models, governance, and customer conduct.

Key frameworks relevant to the Company include the Insurance Ordinance, 2000 and the Insurance Rules, 2017, including subsequent amendments issued through notifications/SROs. These regulations influence product approvals, solvency and compliance requirements, corporate governance expectations, and market conduct—directly impacting operational priorities and cost structures.

From a compliance perspective, the SECP-AML-CFT-CPF Regulations, 2020 require regulated persons to implement risk-based AML/CFT controls, including customer due diligence (CDD), transaction monitoring, record-keeping, and related compliance measures reinforcing expectations around governance, controls, and ongoing monitoring.

For distribution and conduct, the Corporate Insurance Agents Regulations, 2020 sets requirements for corporate agents (including bancassurance), focusing on training/certification, sales and disclosure standards, and customer protection measures. This supports improved quality of sales and customer outcomes, though it also increases the Company’s coordination, monitoring, and compliance oversight across partners and channels.

Finally, the Company also operates within broader corporate law requirements under the Companies Act, 2017 and sector-specific laws such as the Marine Insurance Act, 2018 (relevant for marine business), which guide corporate governance, disclosures, and legal enforceability of insurance contracts.

Overall impact: these policies and regulations strengthen market discipline, customer protection, and financial system integrity. For the Company, they translate into continued investment in compliance, training, governance, systems and controls—while enabling sustainable growth through improved customer trust, more transparent distribution practices, and clearer product frameworks.

INITIATIVES ON PROMOTING AND ENABLING INNOVATION

In response to the rising frequency and sophistication of cyber-attacks and data breaches, EFU General Insurance Limited has initiated the phased implementation of an Information Security Management System (ISMS) aligned with ISO/IEC 27001:2022 to strengthen information security governance, risk assessment and treatment, incident response readiness, third-party/vendor controls, and organization-wide security awareness and culture. This program is designed to embed security-by-design across core systems and digital channels, enhance protection of customer and Company data, and support measurable control monitoring through internal audits and continual improvement. The initiative is also aligned with Securities and Exchange Commission of Pakistan's Guidelines on Cybersecurity Framework for the Insurance Sector, 2020, which were issued in March 2020 to promote secure and resilient IT environments across insurers and their partners

STRATEGIC REINSURANCE PARTNERSHIPS

EFU General's reinsurance programme is supported by highly rated, internationally recognized reinsurers, which strengthens the Company's ability to underwrite large, complex and diversified risks with confidence. This strong reinsurance backing enhances underwriting capacity, supports risk diversification and capital protection, improves loss volatility management, and reinforces claims-paying resilience—thereby providing EFU General with a sustained competitive advantage in serving major corporate and specialty business segments.

TECHNOLOGICAL ADVANCEMENTS

The Company continues to leverage technology to enhance operational efficiency and customer experience. Key initiatives include digitizing and streamlining claims workflows to reduce turnaround time, strengthen controls and transparency, and improve customer communication throughout the claims lifecycle. In parallel, EFUG is using technology and data insights to deliver more tailored services and support underwriting and portfolio monitoring. These advancements enable the Company to improve service quality, strengthen risk discipline, expand distribution effectiveness, and sustain a competitive edge in the market.

FUTURE PLANS FOR AI ADOPTION

EFU General intends to gradually explore AI-enabled solutions to improve efficiency, customer service, risk assessment and decision-making across key functions. Over the long term, prudent adoption of AI is expected to support innovation, productivity and competitiveness, while remaining subject to appropriate governance, data security and regulatory compliance.

COMPREHENSIVE PRODUCT PORTFOLIO

EFU General maintains a comprehensive and diversified product portfolio across key non-life lines of business, enabling the Company to serve a wide range of customer segments—from individuals and SMEs to large corporates and specialized industries. This breadth allows EFUG to respond to varied protection needs through tailored coverage options, risk advisory support, and flexible distribution channels. A balanced portfolio also supports sustainable growth by reducing concentration risk, strengthening resilience across market cycles, and helping the Company sustain its leading market position through consistent value delivery and customer retention.

EXPERIENCED MANAGEMENT AND WORKFORCE

The Company's experienced and professional management team, supported by a skilled and motivated workforce and field force, enables strong execution of strategic priorities across underwriting, claims, risk management, distribution, and customer service. Continuous investment in capability-building—through training, performance management, and leadership development—strengthens service quality, operational discipline, and responsiveness to changing market and regulatory expectations.

Collectively, these capabilities support EFU General's competitive position and resilience, enabling sustained value creation for policyholders, shareholders, employees, regulators, business partners, and the wider community.

BUSINESS MODEL

INPUTS / RESOURCES



- 1. Financial capital provided by shareholders and generated through operations, supported by disciplined capital management and reinsurance capacity.
- 2. Tangible capital including buildings, branches, office infrastructure, IT hardware, furniture, vehicles and other operating equipment.
- 3. Intangible capital including core insurance systems, digital platforms/apps, website, data and analytics capability, proprietary processes, and the EFU General brand and market standing.
- 4. Human capital comprising the Board of Directors, senior leadership, employees, and field force—supported through hiring, training, performance management and succession planning.
- 5. Regulatory and legal capital through the Company's legal existence and licence to operate, including adherence to SECP requirements and applicable laws and regulations.
- 6. Social and relationship capital built through customer trust, distribution partners, reinsurers, brokers, vendors, regulators, and community relationships.

STRATEGIC OBJECTIVES



- 1. Sustain market leadership in Pakistan's non-life insurance sector through disciplined underwriting and superior service.
- 2. Expand and refine product portfolio in line with customer needs, emerging risks and regulatory expectations (including digital and climate-related solutions where feasible).
- 3. Drive continuous improvement and technology advantage through digitalization, automation, analytics and stronger cybersecurity.
- 4. Strengthen corporate capabilities and employee engagement through skill enhancement, leadership development, performance-based rewards and a strong culture of governance and accountability.

KEY PROCESSES
(VALUE CREATION ACTIVITIES)



- 1. Product design, development and marketing aligned to customer needs, risk appetite and regulatory requirements.
- 2. Underwriting and risk selection including pricing discipline, portfolio monitoring and reinsurance optimization.
- 3. Claims management and customer servicing focused on timely settlement, transparency, quality controls and fraud/leakage prevention.
- 4. Investment and treasury management to support liquidity, solvency and risk-adjusted returns within approved policies.
- 5. Finance and performance management including budgeting, reporting, taxation and capital management.
- 6. Governance, risk management and internal controls including compliance, audits, risk reviews and stakeholder reporting.
- 7. IT, data, cybersecurity and systems including system resilience, digital enablement and information security controls.
- 8. Human resource management including workforce planning, training, performance management, wellbeing and culture.

OUTPUTS / OUTCOMES



- 1. Sustainable value creation for shareholders through profitable growth, capital protection and resilient performance.
- 2. Fulfilment of stakeholder expectations including regulators, employees, customers, rating agencies, reinsurers, partners and the wider community through transparency and compliance.
- 3. Delivery of conventional insurance and Window Takaful products across multiple lines to individuals, SMEs and corporates.
- 4. Innovation in products, servicing and distribution through digital channels, partner ecosystems and process improvements.
- 5. High-quality customer service through efficient underwriting, responsive claims handling and improved customer communication.
- 6. Strengthened relationships and market confidence via strong reinsurance support, partner management and responsible business conduct.
- 7. Corporate Social Responsibility (CSR) and community contributions aligned with the Company's values and stakeholder priorities.

COMPANY’S STRATEGY ON MARKET DEVELOPMENT, PRODUCT AND SERVICE DEVELOPMENT

EFU General’s strategy for market, product and service development in 2026 is focused on expanding access, strengthening underwriting profitability, and enhancing customer experience through technology, partnerships and disciplined execution.



INFLUENCE OF FACTORS ON STRATEGIES AND RESOURCE ALLOCATIONS

EFU General Insurance Limited’s strategies and resource allocations are influenced by several key factors:



KEY PERFORMANCE INDICATORS (KPIs)

Key Performance Indicators (KPIs) — 2026

EFU General Insurance Limited uses a balanced KPI framework to monitor progress against strategic objectives, covering profitability, growth, capital strength, operational efficiency, customer outcomes, and risk/compliance.

- 1) Underwriting profitability and portfolio quality
- Combined Ratio: Measures the sum of incurred losses and expenses relative to earned premiums. A ratio below 100% indicates underwriting profitability.
- 2) Financial performance and shareholder value
- Return on Equity (ROE): Profitability relative to shareholders' equity.
 - Profit After Tax / Operating Profit: Core earnings trend.
 - Investment Income / Investment Yield: Performance of the investment portfolio.
 - Underwriting result vs. investment result mix: Tracks quality and sustainability of earnings.
- 3) Growth and market position
- Gross Written Premium (GWP): Top-line growth and market momentum.
 - Net Written Premium / Net Earned Premium: Risk retained and revenue recognition.
 - New business contribution: Growth from new customers/segments.
 - Product/channel mix: Balanced growth across lines and distribution channels.
- 4) Operational efficiency and claims effectiveness
- Expense Ratio: Cost efficiency relative to earned premiums.
 - Claims processing / settlement time (average TAT): Service speed and efficiency.
 - Digital adoption (e.g., % policies/endorsements/claims handled digitally): Efficiency and scalability.
- 5) Customer and service quality
- Renewal / Retention Ratio: Customer loyalty and satisfaction.
 - Complaint volume and resolution time: Service quality and responsiveness.
 - Net Promoter Score (NPS) / Customer Satisfaction (CSAT) (if measured): Customer experience outcomes.
 - Service turnaround time for key transactions (issuance/endorsements): Responsiveness.
- 6) Capital strength, solvency and risk resilience
- Solvency / regulatory capital adequacy (as per applicable requirements): Financial resilience.
 - Liquidity indicators (cash & liquid investments vs. claims obligations): Claims-paying capacity.

Relevance of KPIs going forward

These KPIs will remain relevant because they collectively track value creation, service outcomes and resilience. Over time, EFUG may enhance the KPI set by adding more digital, cybersecurity, sustainability and regulatory compliance indicators to reflect evolving stakeholder expectations and operating risks.

LINKAGE OF STRATEGIC OBJECTIVES WITH
MISSION, VISION AND OVERALL OBJECTIVES

Mission: To provide services beyond expectation with a will to go an extra mile.
Vision: To continue our journey to be better than the best.

EFU General Insurance Limited aligns its strategic objectives with its mission and vision through the following linkages:

1. Customer-centric services
- Enhancing customer experience, responsiveness, and claims service directly delivers on the mission of exceeding expectations and supports the vision of being “better than the best.”
2. Technological advancement
- Digital enablement, automation, and data-driven decision-making improve efficiency, speed, and service consistency—reinforcing the Company's pursuit of excellence and leadership.
3. Product diversification and development
- Expanding and refining products across key segments helps meet evolving customer needs, strengthens competitiveness, and supports sustainable market growth.
4. Human resource development
- Continuous investment in hiring, training, leadership development, and retention builds the capability required to deliver superior service and execute strategy effectively.
5. Robust risk management and financial discipline
- Strong governance, underwriting discipline, reinsurance protection, and compliance ensure resilience, sustainability, and stakeholder trust—enabling long-term value creation.

BOARD’S STATEMENT ON INTERNAL CONTROLS INCLUDING IT CONTROLS

The Board of Directors of EFU General Insurance Limited acknowledges its responsibility for establishing, maintaining and periodically reviewing an appropriate and effective system of internal controls, including financial, operational, compliance and information technology controls, commensurate with the size, nature and complexity of the Company’s operations.

The system of internal controls is designed to provide reasonable assurance regarding the safeguarding of the Company’s assets, the maintenance of proper accounting records, the reliability of financial and operational information, the effectiveness and efficiency of operations, and compliance with applicable laws, regulations and internal policies. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can therefore provide only reasonable and not absolute assurance against material misstatement, loss or irregularity.

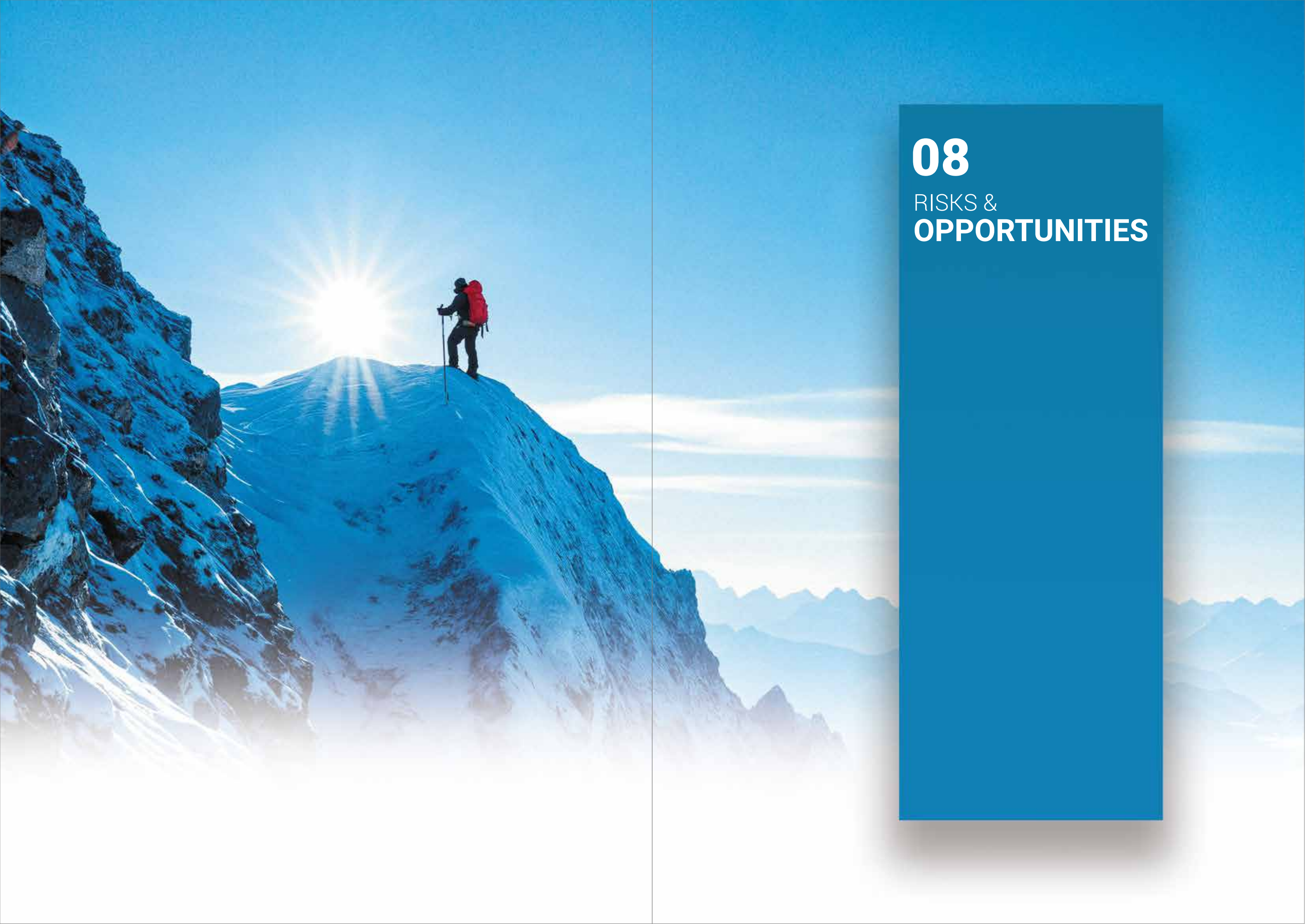
The Board, through the Audit Committee, oversees the effectiveness of the Company’s internal control framework. Management is responsible for implementing and maintaining appropriate policies, procedures and control mechanisms across key business processes, while the Internal Audit function performs independent reviews of the design and operating effectiveness of such controls and reports its observations and recommendations to the Audit Committee. Control procedures include, among others, defined authority levels, segregation of duties, approval and reconciliation controls, supervisory reviews, and periodic monitoring by management.

The Board also recognizes the importance of robust information technology controls in supporting secure and reliable business operations. In this regard, the Company maintains appropriate controls over:

- user access and privileged access management;
- system authorization and authentication;
- segregation of duties within core applications;
- change management for systems and applications;
- data integrity, processing and reporting controls;
- backup, recovery and business continuity arrangements;
- monitoring of technology risks and incidents; and
- protection of confidential business and policyholder information.

In addition to management oversight and internal audit reviews, the Company also undertakes third-party IT audits / independent external assessments of selected information technology controls and systems, where considered appropriate, to support ongoing evaluation and strengthening of the IT control environment. Management continues to review and enhance the Company’s IT control environment, including information security and confidentiality measures, in order to support operational resilience and the integrity of business information. Significant control matters, where appropriate, are reported to the Board and the Audit Committee.

Based on the reviews carried out during the year, including management oversight, internal audit reviews and third-party assessments where applicable, the Board is of the view that the Company’s system of internal controls, including IT controls, is adequate and has operated effectively in all material respects during the year under review.



08

RISKS &
OPPORTUNITIES

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

EFU General Insurance Limited reviews competition and adjusts its positioning using Porter's five forces:

- 1) Industry competitors (Rivalry)
- Competition remains intense. Low switching costs for customers and aggressive rate-cutting by some market participants continue to keep pressure on margins and reinforce the need for disciplined underwriting and service differentiation.
- 2) Power of buyers (Customers)
- Buyer bargaining power remains high due to a crowded market and price sensitivity—especially in corporate and commercial business where accounts are frequently re-tendered. Limited new large-scale projects and competitive pricing dynamics can lead to premium pressure, requiring stronger value propositions (claims service, risk advisory, speed, and reliability) beyond price alone.
- 3) Power of suppliers (Reinsurers and service partners)
- Reinsurance remains a critical input for capacity and volatility protection. While global reinsurance conditions indicate ample capital and increased competition (supporting some easing in pricing), the cost and availability of cover can still be affected by catastrophe losses, inflation, and risk perceptions—requiring prudent programme design and strong reinsurer relationships.
- 4) Threat of potential entrants
- Barriers to entry remain meaningful due to regulatory and increased capital requirements and the need for strong governance and solvency capability. SECP licensing prerequisites include minimum paid-up capital requirements (e.g., Rs. 2 Billion for non-life insurers) and statutory deposit/solvency expectations. At the same time, technology-led models (including digital-only licensing developments) can reduce distribution friction and enable new entrants/insurtechs to compete in selective niches, especially retail and embedded insurance.
- 5) Threat of substitutes
- Substitutes for insurance/takaful remain limited. The main substitute risk is underinsurance / self-insurance or reliance on informal support, which can be influenced by economic pressure and low insurance penetration—reinforcing the importance of awareness, affordability, and simple products.

CRITICAL CHALLENGES TO EFU AND RESPONSES

EFU General Insurance remains committed to protecting stakeholder interests and creating sustainable long-term shareholder value through strong governance, disciplined risk management, and service excellence. The external environment continues to evolve rapidly, with heightened risks and opportunities across technology, cybersecurity, climate, sustainability expectations, and macroeconomic volatility. The Company monitors these developments continuously and strengthens its response through policies, controls, investments, and oversight.

- 1) Advancements in Information Technology
- Technology disruption is reshaping customer expectations, distribution channels, and operating models. It also increases execution risk where legacy systems and manual processes constrain speed, control, and scalability.
- The Company continues to upgrade IT infrastructure and core systems to enhance reliability, performance, and continuity. Technology strategies are reviewed regularly to improve operational efficiency and customer service.
- Digital enablement remains a key focus, including stronger MIS and analytics to support portfolio insight and decision-making. Process automation is being expanded to reduce manual dependency and improve control effectiveness.
- 2) Cybersecurity and Data Protection
- Cyber threats are increasing in frequency and sophistication, creating operational, financial, regulatory, and reputational risk. Data protection remains critical given the sensitivity of customer, employee, and partner information.
- The Company strengthens its cybersecurity posture through updated policies and procedures, access controls, monitoring, and vulnerability remediation. Incident response preparedness is maintained through defined escalation and response protocols.
- Employee awareness initiatives are reinforced to mitigate social engineering and credential risks. Third-party/vendor risk oversight is also enhanced to address security risks arising from outsourced and technology service providers.
- 3) Climate Change and Catastrophe Risk
- Climate variability and extreme weather events can increase claims frequency and severity and may alter future portfolio risk profiles. Catastrophe exposure can also affect reinsurance availability and pricing.
- The Company incorporates catastrophe considerations into underwriting and risk assessment, including exposure monitoring and accumulation management. Reinsurance planning is aligned with the Company's risk appetite and portfolio risk profile.
- Internal capabilities are being strengthened to better analyze exposure trends and claims experience and to improve resilience. The Company remains attentive to evolving market expectations and customer needs for climate-related risk solutions.
- 4) Economic and Political Volatility
- Macroeconomic conditions—including inflation, interest rate movements, currency volatility, and broader political and business uncertainty—can affect premium growth, claims inflation, reserving adequacy, and investment returns.

The Company addresses these risks through disciplined underwriting and prudent reserving, supported by monitoring of claims trends and pricing adequacy. Portfolio diversification and strong liquidity management support stability under stress.

Investment management remains aligned with risk appetite and regulatory requirements, with ongoing oversight of market, credit, and concentration risks. The experienced Board and management provide direction to navigate uncertainty and maintain resilient performance.

5) Sustainability and Responsible Business

Sustainability expectations from customers, regulators, investors, and employees continue to rise. For insurers, sustainability is closely linked to climate risk management, responsible underwriting, governance strength, and social outcomes.

The Company embeds sustainability considerations into decision-making where relevant, including risk assessment, underwriting practices, procurement, and operational improvements. Digital transformation also supports efficiency and reduction in paper-based processes.

People and social priorities include employee wellbeing, training and capability building, fair workplace practices, and customer-centric service. Governance underpins sustainability performance through ethical conduct, accountability, and effective oversight frameworks.

Overall, the Company's approach focuses on proactive risk identification, timely mitigation actions, and continuous improvement—supporting sustainable performance and stakeholder confidence in a dynamic operating environment.

INTERNATIONAL INTEGRATED
REPORTING FRAMEWORK

The Company has endeavored to ensure that the Fundamental Concepts, Guiding Principles, and Content Elements of integrated reporting are covered, to the extent practicable, in this Annual Report 2025. The financial and non-financial information presented in the Annual Report aims to enable stakeholders of EFU General Insurance to better understand the Company's strategy, business model, performance, and prospects, supporting more informed decision-making.

Fundamental Concepts addressed in the Annual Report 2025

- Value creation, preservation, or erosion for the Company and for others, including value for shareholders through financial returns and value for external stakeholders, including society at large.
- The Capitals, being the resources and relationships the Company depends upon and affects, including financial, manufactured, intellectual, human, social and relationship, and natural capitals.
- The value creation process, i.e., how the Company uses and transforms different capitals through its business model to create, preserve, or erode value over the short, medium, and long term.

Guiding Principles addressed in the Annual Report 2025

- Strategic focus and future orientation
- Connectivity of information
- Stakeholder relationships
- Materiality
- Conciseness
- Reliability and completeness
- Consistency and comparability

Content Elements covered in the Annual Report 2025

The following content elements are presented through relevant sections/chapters of the Annual Report 2025:

- Organizational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

This approach is intended to present an integrated view of how the Company operates, how it responds to a changing environment, and how it seeks to deliver sustainable value over time.

IT GOVERNANCE AND CYBERSECURITY PROGRAMS

The Company has established IT security policies, procedures, and governance mechanisms to support a secure, resilient, and well-controlled technology environment. These controls are reviewed regularly and enhanced based on evolving threats, operational experience, and emerging best practices.

EFU General Insurance has updated its Information Security Management System certification to ISO/IEC 27001:2022, reflecting alignment with the latest international standard and reinforcing the Company's commitment to continual improvement in information security and risk management.

To support uninterrupted core operations and timely response to incidents, the Company maintains and periodically tests key resilience frameworks, including an Incident Response Plan (IRP), Business Continuity Plan (BCP), and Disaster Recovery Plan (DRP). These arrangements are designed to strengthen preparedness, reduce the impact of disruptions, and support recovery within defined timeframes.

ENTERPRISE RESOURCE PLANNING (ERP)
AND EFFECTIVE IMPLEMENTATION

EFU General has developed an in-house ERP system that is integrated with key functions including Underwriting, Finance, Human Resources, Reinsurance, and the online web application. This integrated platform enables the Company to manage operations through a single, unified system, strengthening data consistency, improving workflow efficiency, and enhancing coordination and communication across departments.

The ERP supports timely reporting and better management oversight by enabling information flow across core processes. Continuous improvements are made to enhance usability, controls, and system reliability in line with evolving business requirements.

REGULATORY MONITORING AND
COMPLIANCE UPDATES

The Compliance Department maintains an active regulatory monitoring process. This includes regular review of the Securities and Exchange Commission of Pakistan website and other relevant regulatory sources to identify new notifications, amendments, and updates to applicable laws, rules, and regulations.

Where changes are identified, the Company assesses implications, updates internal policies and procedures as required, and coordinates with relevant functions to support timely implementation and continued compliance.

RISK MANAGEMENT FRAMEWORK
AND METHODOLOGY

EFU General has a structured Risk Management Framework to identify, assess, manage, and report risks in a timely and consistent manner. The framework supports achievement of strategic objectives, protection of stakeholder interests, and compliance with applicable regulatory requirements.

Three Lines of Defense

The Company applies a Three Lines of Defense model:

- **First Line (Business Ownership):** Department Heads and operational teams own and manage risks within their functions through day-to-day controls and adherence to policies and procedures.
- **Second Line (ERM & Compliance Oversight):** The Enterprise Risk Management (ERM) function facilitates enterprise-wide risk identification, assessment, monitoring, and reporting. Key risks are reported to the Board through the Risk Management and Compliance Committee (RMCC).
- **Third Line (Independent Assurance):** Internal Audit provides independent assurance on the effectiveness of governance, risk management, and internal controls, and reports its findings through Audit Committee.

ERM Governance and Framework

ERM is built on two pillars: Governance and Framework.

- Governance defines roles, responsibilities, reporting lines, and oversight mechanisms, supported by approved policies and procedures.
- Framework sets out the methodology and processes for identifying, assessing, responding to, and reporting risks across the Company.

Roles and Structure

Risk management is supported through a defined structure comprising Risk Champions, the Risk Officer/ERM function, and the RMCC:

- Risk Champions within departments identify key risks, maintain risk registers, and provide subject-matter input on likelihood, impact, and controls.
- The Risk Officer/ERM function consolidates and independently assesses risks, ranks them using qualitative and quantitative tools, monitors risk indicators, and prepares reporting for management and RMCC.

- The Risk Management and Compliance Committee (RMCC) reviews principal risks, aligns responses with the Company's risk appetite, and directs mitigation actions (avoid, reduce, transfer, or accept). The RMCC provides updates to the Board of Directors on key and emerging risks.

Risk Management Methodology (Six-Steps Process)

The Company follows a consistent six-steps approach:

1. **Establish Context:** Assess internal and external factors—business environment, competition, regulatory landscape, operating footprint, demographics, technology and cyber trends, climate-related developments, and political/economic conditions.
2. **Identify Risks:** Departmental risk champions identify internal and external risks relevant to objectives and operations.
3. **Assess/Quantify Risks:** Apply qualitative and quantitative tools to evaluate likelihood and impact; prioritize and determine principal risks.
4. **Risk Response:** Define and implement responses aligned with risk appetite—mitigate, transfer, avoid, or accept—with clear ownership and timelines.
5. **Communicate & Report:** Communicate RMCC decisions to relevant functions for implementation and report principal risks to the Board through RMCC.
6. **Monitor & Review:** Continuously monitor risk profile, control effectiveness, and emerging risks; update risk registers and actions accordingly.

This framework enables proactive risk oversight, supports resilience, and strengthens decision-making across the organization.



BUSINESS RISK

EFU General Insurance continuously monitors and manages business risks that may materially affect the achievement of strategic and operational objectives. Risk factors may arise from internal processes, people, systems, or from changes in the economic, political, social, demographic, environmental, technological, and regulatory landscape.

Risk identification is ongoing, but no framework can capture every risk at all times. The Company therefore focuses on principal (material) risks, links them to strategy and performance, and monitors them through KRIs/KPIs and governance oversight including explicit coverage of sustainability-related risks and opportunities.

Principal Risks

1) Reserving Risk – Actual claims exceed loss reserves

Reserve estimates involve judgment and uncertainty, including inflation, legal trends, settlement patterns, and claim development. If reserves prove inadequate, strengthening would adversely affect profitability and solvency.

Key mitigations: robust reserving governance, periodic experience reviews, stress/scenario analysis, claims analytics, and management/committee oversight of assumptions and methodologies.

2) Premium Risk – Pricing inadequacy vs. future loss experience

Future claims and expenses may differ from historical patterns due to mix changes, inflation, judicial trends, or competitive pricing pressure. This can lead to premium deficiency and margin erosion.

Key mitigations: disciplined underwriting, pricing adequacy monitoring, portfolio steering, product and segment profitability reviews, and corrective actions on terms/limits/deductibles.

3) Catastrophe and Climate Risk – Natural disasters and extreme events

Exposure to catastrophes (e.g., flood, earthquake, storm, fire, terrorism and other events) can cause large losses and volatility. Climate change may increase the frequency and severity of certain perils and shift portfolio risk over time.

Key mitigations: accumulation controls, catastrophe exposure monitoring, underwriting guidelines for high-risk zones, reinsurance protection aligned with risk appetite, and continuous enhancement of exposure data and analytics.

4) Emerging Claims and Coverage Risk

Regulatory, judicial, technological, climatic, and market practice changes can create new claim patterns or expand coverage interpretations. The full impact may emerge over time and affect multiple underwriting years.

Key mitigations: wording governance, claims/legal trend monitoring, product reviews, reinsurance alignment, and periodic portfolio stress testing.

5) Reinsurance Risk – Availability, terms, and recoverability

Reinsurance may become unavailable, more expensive, or restricted for certain risks. There is also counterparty risk that reinsurers may delay, dispute, or fail to pay recoveries.

Key mitigations: diversified panel of rated reinsurers, counterparty limits, contract clarity and claims protocols, collateral/terms where appropriate, and active recoveries management.

6) Credit Risk – Premium receivables and counterparty defaults

Installment premium collections, broker exposures, bank placements, and reinsurance recoverables create credit risk. Counterparty failure can cause losses and liquidity pressure.

Key mitigations: credit assessment, aging/collection discipline, broker controls, limits and approvals, and diversification of financial counterparties.

7) Investment and Market Risk – Equity/valuation impacts and volatility

Market movements (equity prices, credit spreads) can reduce investment values and adversely affect income and capital position. Liquidity needs may force asset sales at unfavorable prices.

Key mitigations: Board-approved investment policy, diversification, duration and liquidity management, exposure limits, and regular performance and risk reporting to the Investment Committee and Board.

8) Interest Rate Risk

Changes in interest rates influence the valuation and performance of fixed-income instruments and can affect reinvestment yields and overall investment income.

Key mitigations: duration management, asset allocation review, scenario analysis, and alignment of investment risk with risk appetite.

9) Liquidity Risk – Timing mismatch between claims and cash flows

Claims volatility, catastrophe events, and delayed recoveries can create liquidity strain, particularly if market conditions are stressed.

Key mitigations: liquidity buffers, cash flow forecasting, stress testing, and contingency funding actions aligned with the Company’s liquidity risk appetite.

10) Regulatory, Legal and Compliance Risk

Changes in laws/regulations (including AML/CFT, sanctions-related obligations, data privacy and consumer protection) and the volatility of the operating environment may increase compliance costs, restrict operations, or lead to enforcement actions if not managed.

Key mitigations: structured compliance monitoring, policy updates, training, controls testing, timely implementation of regulatory changes, and escalation through governance committees.

11) Technology, Cybersecurity and Data Risk (including third parties)

System outages, cyberattacks, or vendor failures can disrupt operations, expose sensitive data, and damage reputation, potentially leading to financial losses and regulatory consequences.

Key mitigations: IT governance, cybersecurity controls (access management, monitoring, incident response), vendor oversight, and tested continuity arrangements (IRP/BCP/DRP). Enhanced focus on IT controls and cybersecurity disclosures is also consistent with BCR expectations.

12) Model Risk

Models and assumptions used for underwriting, reserving, pricing, and risk assessment may not reflect actual outcomes, particularly under changing conditions, leading to suboptimal decisions.

Key mitigations: validation and review processes, governance over model changes, expert judgment overlays, and back-testing against actual experience.

13) People Risk – Loss of key executives and talent constraints

Loss of critical leadership or inability to attract/retain skilled professionals can impact execution, controls, and continuity.

Key mitigations: succession planning, competitive talent practices, leadership development, training, and retention initiatives.

14) Operational Risk – Process failures, error, and misconduct

Fraud, errors, inadequate documentation, control breaches, or non-compliance with underwriting/authority limits can lead to financial loss and reputational damage.

Key mitigations: segregation of duties, maker-checker controls, delegated authority governance, audits and reviews, whistleblowing mechanisms, and strong conduct culture.

Sustainability-related risks and opportunities (embedded across principal risks)

Sustainability considerations—particularly climate risk, governance expectations, and stakeholder trust—are integrated into the Company's risk assessment and oversight. Where relevant, risks and opportunities are assessed over the short, medium, and long term, with actions aligned to resilience and responsible business practices.

Strategic Risk

The insurance market remains highly competitive, which may lead to fewer quality submissions, pressure on premium rates, and less favorable terms and conditions. This can reduce underwriting margins and may adversely impact profitability and shareholders' equity.

The industry is also evolving rapidly due to technology-led changes across marketing, underwriting, distribution, claims, and operations. Competitors may increasingly leverage advanced analytics, digital platforms, and automation to improve pricing accuracy, customer experience, and operating efficiency.

If the Company does not anticipate or keep pace with these changes, it may face competitive disadvantage in target segments, slower growth in priority markets, and higher operating costs relative to peers.

Mitigation (high level): ongoing investment in digital capabilities and core systems, strengthening data and analytics for underwriting and claims insights, enhancing customer and distribution experience, and continuous review of product and portfolio strategy to protect sustainable profitability.

OPPORTUNITY REPORT

As a leading general insurance company in Pakistan, EFU General is well positioned to capture growth opportunities arising from evolving customer needs, regulatory focus on financial inclusion, and rapid digital adoption. Key opportunities currently available include:

- Expand General Takaful solutions through Window Operations: Broaden product offering and customer segments by strengthening Shariah-compliant solutions, supported by service excellence and competitive claims management.
- Widen national reach through a stronger distribution footprint and omni-channel strategy: Increase penetration by expanding branch/agency/bancassurance and broker partnerships while enhancing digital channels to support mass marketing and convenient servicing.
- Develop micro-insurance and inclusive protection solutions: Introduce affordable, simple, and accessible covers for lower-income and underserved segments, supported by streamlined onboarding, claims simplification, and partnerships where appropriate.
- Increase insurance awareness and market education: Continue investment in communication and outreach to improve understanding of risk protection, product relevance, and claims processes, supporting long-term market development and trust.
- Leverage mobile and digital platforms for engagement and growth: Utilize rising smartphone and mobile penetration to enhance customer interaction, awareness, marketing, sales, and self-service journeys (e.g., policy issuance, renewals, and claims updates), improving experience and reducing servicing costs.

MATERIALITY APPROACH

Management considers materiality a key component of effective communication with stakeholders. Matters are regarded as material if, individually or in aggregate, they could reasonably be expected to significantly influence the Company's performance, profitability, financial position, risk profile, or the decisions of stakeholders.

The Company applies materiality across both financial and non-financial information, including sustainability-related matters, based on the magnitude and likelihood of impact over the short, medium, and long term. Material matters are prioritized for management action and disclosure through the Company's governance and reporting processes.

KEY SOURCES OF ESTIMATING UNCERTAINTY

The preparation of the financial statements requires management and the Board of Directors to make estimates and judgments that affect the reported amounts of assets, liabilities, income and expenses, and related disclosures, including contingencies. These estimates are based on historical experience and other assumptions that management and the Board consider reasonable under the circumstances and form the basis for judgments about the carrying values of assets and liabilities that are not readily determinable from other sources.

Actual results may differ from these estimates due to changes in assumptions, economic conditions, claims experience, market movements, regulatory or legal developments, or other factors. Accordingly, estimates and underlying assumptions are reviewed on an ongoing basis, and revisions are recognized in the period in which the estimate is revised and, if applicable, future periods.

The key areas of estimating uncertainty that may have a significant effect on the amounts recognized in the financial statements are discussed below:

Provision for unearned premiums

The unearned premium reserve is the unexpired portion of the premium which relates to business in force at the balance sheet date. Unearned premiums have been calculated by applying 1/24th method as specified in the SEC (Insurance) Rules, 2002.

Premium deficiency reserve (liability adequacy test)

The expected future liability is estimated by reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable. The movement in the premium deficiency reserve is recognized as an expense or income in the profit and loss account for the year.

Provision for outstanding claims (including IBNR)

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

Employees' retirement benefits

Your Company operates defined benefit pension fund and defined benefit gratuity fund for its eligible employees. The accounting treatment is carried out in accordance with International Accounting Standard (IAS) 19 - Employee Benefits. The amounts recognized in respect of the above schemes represent the present value of defined obligations adjusted for re-measured gains and losses reduced by the fair value of plan assets.

Deferred taxation

Deferred tax is recognized using the balance sheet liability method for all temporary differences between the amounts attributed to assets and liabilities for financial reporting and taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date.

Investments

As required by Insurance Rules, 2017, your Company records Investment in equities and fixed income securities at fair value. The Investment in Subsidiary is also accounted for at fair value and classified as available-for-sale in the unconsolidated financial statements.

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingencies. These estimates are based on experience and various other assumptions that management and the Board believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The key areas of estimating uncertainty, which may have a significant effect on the amounts recognized in the financial statements, are discussed below:

SENSITIVITY ANALYSIS OF COMPANY'S
PROFITABILITY

The Company's profitability is primarily driven by underwriting results (net of reinsurance, claims and expenses) and investment income. Performance may be affected by changes in claims severity/frequency, expense levels, market prices and interest rates.

Underwriting (net of reinsurance)

Underwriting performance is influenced by the quality and mix of business written, pricing adequacy, claims experience, reinsurance costs and terms, and the Company's risk appetite. The Company manages underwriting sensitivity through disciplined underwriting, portfolio diversification, pricing reviews, and appropriate reinsurance protection.

Claims

Claims experience is impacted by factors such as law and order situation, catastrophe events, inflation, judicial/regulatory trends, and control weaknesses that may lead to higher loss frequency or severity. The Company mitigates volatility through prudent underwriting, claims management, and reinsurance arrangements. Sensitivity of profitability to claim severity/size is disclosed in the relevant notes to the financial statements.

Expenses

Management and general expenses represent the operational cost of the Company. Management expenses are closely linked with business volumes and servicing requirements. Expense trends are monitored against prior periods and budgets, and variances are reviewed regularly to support timely corrective actions.

Investment Income

Investment income from equities is correlated with overall stock market performance, which is subject to external factors beyond management control. The Company maintains a diversified portfolio to generate dividend income and potential capital gains, while managing market volatility within risk limits.

Fixed Income Securities (Interest Rate Sensitivity)

The fixed income portfolio includes Pakistan Investment Bonds, Treasury Bills, Ijarah and Corporate Sukuks, Term Finance Certificates and term deposits. Returns and valuations are sensitive to movements in interest rates and credit spreads. Interest rate risk is managed through diversification, duration management, and ongoing monitoring by management and the Investment Committee in accordance with the Board-approved investment policy.

PROSPECTS OF THE COMPANY INCLUDING TARGETS FOR FINANCIAL AND NON-FINANCIAL MEASURES

The Company's prospects remain underpinned by its focus on service quality, customer satisfaction, operational efficiency and people development. Management continues to strengthen training and capability-building across levels to enhance performance, controls and customer experience.

The operating environment remains challenging due to macroeconomic and market volatility, which may affect business potential and claims/inflation dynamics. The Company will continue to respond through disciplined underwriting, prudent reserving, cost management, and active portfolio steering.

The Company's Window Takaful operations have expanded and demonstrated sustained growth. Management expects continued progress in the coming years supported by product development, improved customer journeys, and broader distribution reach.

Targets and Measures

Financial Measures (Targets/Focus Areas)

The Company monitors and manages performance through the following key financial measures (targets are reviewed annually and aligned with the Board-approved strategy and risk appetite):

- Gross written premium growth (overall and by key lines / segments)
- Underwriting result and combined ratio (or underwriting margin)
- Net claims ratio and expense ratio
- Investment income and total return within approved risk limits
- Solvency / capital adequacy and liquidity strength
- Reserve adequacy indicators and claims development trends
- Reinsurance effectiveness (net retention and protection efficiency)

Non-Financial Measures (Targets/Focus Areas)

The Company also tracks non-financial measures to strengthen service delivery, governance and sustainability outcomes:

- Customer service and satisfaction indicators (turnaround times, complaint handling, service quality measures)
- Claims service performance (cycle time, settlement efficiency, quality of documentation)
- Digital adoption and process efficiency (usage of digital channels, automation coverage, system uptime)
- People development (training coverage/hours, competency-building programs, talent retention)
- Operational and control effectiveness (audit/compliance observations closure, process quality)
- Cybersecurity readiness (awareness coverage, incident response preparedness, critical control effectiveness)
- Sustainability-related metrics where relevant (e.g., paper reduction through digitization, business continuity resilience, climate risk integration in underwriting and reinsurance)

SENSITIVITY TO FLUCTUATION IN FOREIGN CURRENCY EXCHANGE RATES

Overall Exposure

The Company is not materially exposed to foreign currency exchange rate movements as the majority of operations are conducted in Pakistani Rupees. Accordingly, the Company's assets, liabilities, income and expenses are generally not materially sensitive to exchange rate fluctuations.

Operations in Export Processing Zone (EPZ)

The Company operates through its branch network in Pakistan, including presence in the Export Processing Zone (EPZ) for providing insurance services to entities located there. Certain assets and liabilities in EPZ may be linked to foreign currency; therefore, changes in exchange rates may increase or decrease their Rupee-equivalent values when translated and reported in the financial statements.

Reinsurance Payments and Recoveries

Premiums payable/receivable and claims recoverable to/from reinsurers are generally denominated in Pakistani Rupees, and therefore exchange rate movements do not typically have a material impact at settlement. Where exposures arise in other currencies, they are monitored and managed in line with approved procedures.

Overseas Claims Payments

Certain claims and liabilities may be settled through third parties (e.g., loss adjusters or service providers) in foreign currencies at prevailing exchange rates. The Company monitors such exposures regularly and manages settlement timing and documentation to minimize adverse impacts arising from exchange rate volatility.

WORKPLACE DIVERSITY

Workplace diversity refers to a workforce comprising individuals with different backgrounds and perspectives, including gender, age, religion, physical ability, and other demographic characteristics. The Company believes that a diverse and inclusive workplace strengthens decision-making, improves innovation, enhances employee engagement, and supports sustainable business performance.

Management is committed to fostering an inclusive culture where all employees are treated with dignity and respect and have access to equal opportunities. The Company's approach emphasizes merit-based recruitment, fair treatment, and a workplace environment that supports participation and progression across all roles.

Gender Diversity and Inclusion

The Company places specific focus on improving gender diversity and promoting equity across the employee lifecycle—recruitment, training, development, performance management, and career progression. Policies and practices are periodically reviewed to remove barriers and promote a safe and supportive workplace.

Employee Support and Wellbeing Initiatives

To support female employees and promote a healthy workplace culture, the Company provides a range of wellbeing and engagement initiatives, including:

- employee wellness facilities and activities (e.g., gym and sports participation initiatives);
- training and development opportunities to support growth and capability-building;
- health awareness sessions and employee engagement events (including Women’s Day and Eid celebrations);
- paid maternity leave and supportive working conditions aimed at enabling work-life balance.

Continuous Improvement and Monitoring

The Company reviews its policies, procedures and practices to strengthen diversity and inclusion, including measures to promote fairness and address social challenges that may affect participation. Diversity-related initiatives are monitored over time to assess progress and support continuous improvement.

The Company’s commitment is also reflected in its recruitment practices, with continued emphasis on attracting and retaining talented women across functions—contributing to a sustained improvement in female representation within the workforce.

HEALTH AND SPORTS ACTIVITIES

The Company promotes employee wellbeing through accessible health support, medical coverage, and an active workplace culture. A medical doctor is available at the Head Office to provide guidance on routine health matters for employees and their families. Where specialized care is required, individuals are referred to appropriate specialists or hospitals.

In addition, employees and their eligible dependents are covered through a health insurance program, including in-patient hospitalization facilities via a health insurance card. This supports timely access to quality healthcare and reduces the financial impact of medical emergencies.

To encourage fitness, engagement and team spirit, the Company maintains a modern in-house sports and recreational club. Facilities include gym equipment as well as indoor sports and recreational activities such as table tennis, ludo, snooker, chess, foosball, carom and draught. These initiatives support healthier lifestyles and foster positive interaction and collaboration across all levels of employees.

The Company also participates in external sporting activities from time to time, including cricket matches organized by the Insurance Association of Pakistan and local table tennis tournaments, along with other indoor games.

ERP TRAINING

In-house ERP trainings are conducted regularly in coordination with relevant departments as part of continuous operational upskilling. These sessions enhance user competency, improve system utilization, strengthen process controls, and support consistent and efficient execution of workflows across the Company.

ERP RISK MANAGEMENT

The Company manages risks associated with ERP operations and related technology initiatives through a structured control environment aligned with its information security and regulatory compliance requirements. ERP-related risk factors—such as data confidentiality, system availability, access misuse, and third-party dependencies—are addressed through preventive and detective controls embedded within system design, governance, and ongoing monitoring.

The Company’s information security controls are aligned with ISO/IEC 27001:2022 (updated from ISO/IEC 27001:2013) and the SECP Cybersecurity Framework for insurers. These frameworks guide the implementation of access management, change management, backup and recovery controls, vulnerability management, incident response readiness, and periodic controls review.

ERP resilience is further supported through defined and tested continuity arrangements, including the Incident Response Plan (IRP), Business Continuity Plan (BCP), and Disaster Recovery Plan (DRP), to help ensure uninterrupted core operations and timely recovery in the event of disruption.

INDICATORS AND PERFORMANCE MEASURES

Overall growth in the insurance industry is closely linked with economic growth. The insurance sector supports the economy by managing and indemnifying financial risks and by acting as an institutional investor in the capital market.

The Company continues to explore new avenues to expand its market base and strengthen customer reach. EFU General offers both Conventional and Window Takaful products and remains a leading insurer in Pakistan, supported by its scale, experience, and service capability.

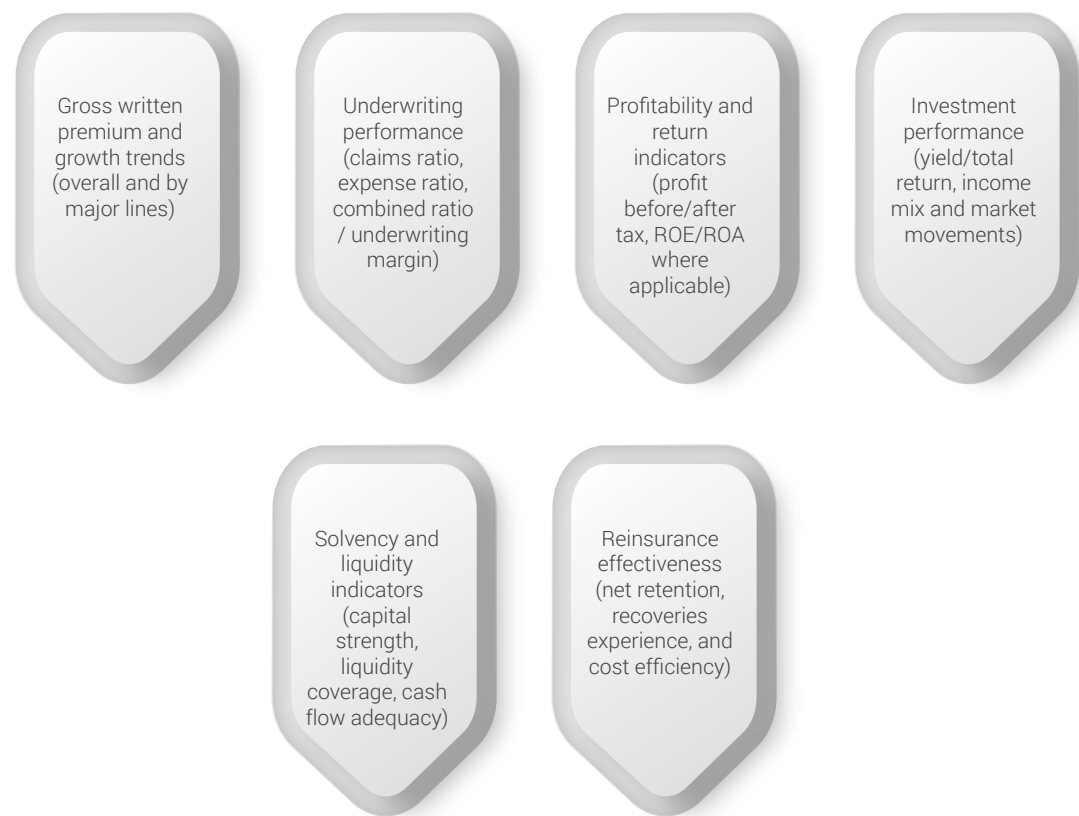
ASSUMPTIONS IN COMPILING INDICATORS

As a service provider, the Company compiles indicators using a balanced set of considerations, including financial position and performance, liquidity and solvency strength, market standing, operational efficiency, and customer perception. These assumptions and measurement approaches are reviewed periodically and updated, where required, to ensure continued relevance and reliability.

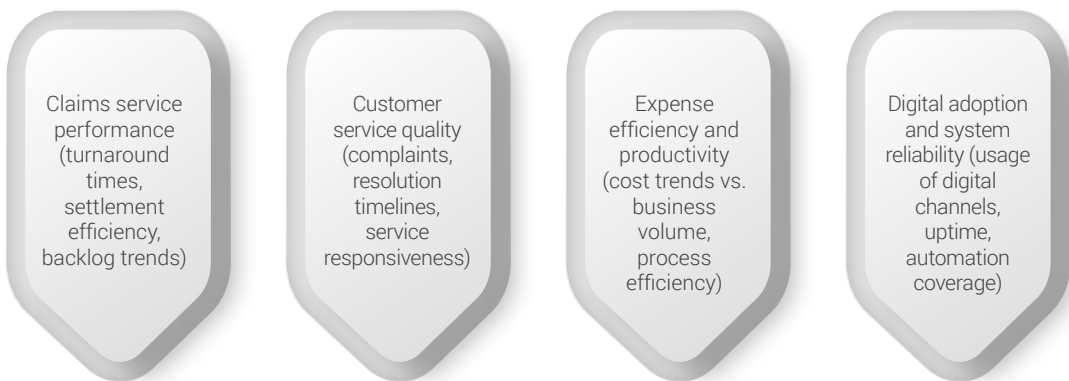
KEY INDICATORS CONSIDERED BY MANAGEMENT

To support strategy execution and performance monitoring, management tracks key indicators across financial and non-financial areas, including:

FINANCIAL / BUSINESS PERFORMANCE



OPERATIONAL AND SERVICE MEASURES



PEOPLE AND GOVERNANCE



These indicators help management assess progress against strategic objectives, identify emerging risks and opportunities, and take timely corrective actions where needed.

SWOT ANALYSIS



S STRENGTHS

- Over 93 Years in the business
- PACRA rating of AA++ with Stable Outlook
- AM Best rating of 'B'
- Diversified product mix
- Market Leader with 22% market shares
- Visionary and experienced Board of Directors
- Professional and Competent management
- Outstanding Customer Care and service
- Corporate brand identity
- Country wide branch network

W WEAKNESSES

- Lack of financial education limits consumer interest.
- Low insurance penetration.
- Lack of insurance knowledge by customers.
- Geographical restrictions on investment



O OPPORTUNITIES

- Growth potential in Takaful business
- Increasing needs of new insurance products in light of:
 - Technological changes
 - Environmental changes
- Large un-tapped retail market
- New opportunities and economic reforms with CPEC projects
- Digital products and channels can expand customer reach.
- Collaboration with banks for bancassurance.

T THREATS

- Changing climate and natural disasters due to global warming.
- Competitive Market
- Frequent changes in regulatory environment including tax reforms
- Economic and geo-political instability.
- Lack of economic growth in Pakistan



09

CYBERSECURITY

BOARD’S RESPONSIBILITY STATEMENT ON CYBER RISK OVERSIGHT

The Board of Directors recognizes that cybersecurity is critical to protecting the Company's information assets, customer data, operational resilience, and reputation. The Board is responsible for providing oversight of cyber risk as part of the Company's overall governance and risk management framework and is committed to ensuring compliance with applicable legal and regulatory requirements, including relevant SECP guidelines and other requirements relating to information security and data protection.

To discharge this responsibility, the Board oversees management's cybersecurity program through periodic reporting, review of key risk areas, and monitoring of the effectiveness of controls. The Board also ensures that cybersecurity remains appropriately resourced and embedded across the organization's technology and operational processes.

Key Oversight Areas and Management Measures

- Cyber Risk Oversight and Compliance**
Cybersecurity policies, standards, and procedures are reviewed periodically to remain aligned with regulatory expectations, evolving threat landscape, and industry practices, including SECP guidance.
- Risk Assessment and Mitigation**
Management continuously assesses cyber threats and vulnerabilities through risk assessments and control testing. Security reviews may include independent assessments, vulnerability reviews, and other assurance activities to support the strengthening of controls over time.
- Incident Response and Breach Management**
A comprehensive Cyber Incident Response Plan (CIRP) is maintained to support timely detection, escalation, containment, response, and recovery in the event of a cybersecurity incident. Preparedness is supported through defined roles, communication protocols, and coordination with business continuity arrangements.
- Management Accountability and Resourcing**
The Board holds senior management accountable for implementing cybersecurity best practices, maintaining governance over IT security controls, allocating adequate resources, and ensuring that cyber risks are managed within the Company's approved risk appetite.
- Employee Training and Awareness**
The Company conducts ongoing cybersecurity awareness and training programs for employees to reduce human-factor risks, strengthen vigilance against phishing and social engineering, and reinforce compliance with security policies and procedures.

IT GOVERNANCE AND CYBERSECURITY STRATEGY

The Company is committed to maintaining a robust IT governance framework and cybersecurity strategy to safeguard information, protect stakeholders, and support operational resilience. The strategy focuses on strengthening preventive and detective controls, enhancing monitoring and response capabilities, managing third-party technology risks, and ensuring that cybersecurity remains aligned with business objectives and regulatory requirements.

IT GOVERNANCE FRAMEWORK

- The Board provides oversight of IT governance to ensure alignment with corporate strategy, risk appetite, and applicable regulatory requirements.
- Management reports to the Board periodically on key IT and cybersecurity matters, including system resilience, control effectiveness, and emerging risks.
- Regular IT audits and reviews are conducted to assess information security, operational effectiveness, and regulatory compliance, with follow-up on remedial actions.

CYBERSECURITY PROGRAMS, POLICIES AND PROCEDURES

- The Company maintains a Cybersecurity Policy that sets out security standards, access controls, and incident management requirements.
- A Data Protection Policy supports secure handling of information, including appropriate controls such as encryption and data access governance in line with applicable requirements.
- Cyber risk assessments are performed periodically to identify vulnerabilities and strengthen controls based on risk prioritization.
- Business Continuity and Disaster Recovery (BCP/DRP) arrangements are maintained and tested to enhance resilience against cyber incidents, technology disruptions, and system failures.

INDUSTRY-SPECIFIC REQUIREMENTS AND STANDARDS

- The Company follows the SECP cybersecurity guidance for insurers, as applicable, and aligns internal controls to regulatory expectations.
- The information security management system is aligned with ISO/IEC 27001:2022 for structured governance, risk-based controls, and continual improvement.

CYBERSECURITY STRATEGY

- Proactive Threat Monitoring:
Continuous monitoring is implemented through security tools and, where applicable, centralized logging and monitoring capabilities (including SIEM) to support timely detection of suspicious activity.
- Incident Response and Recovery:
A defined Cyber Incident Response Plan (CIRP) supports prompt escalation, containment, investigation, and recovery, integrated with broader continuity arrangements (BCP/DRP).
- Employee Training and Awareness:
Regular awareness sessions are conducted to strengthen employee vigilance against phishing, malware, social engineering, and unsafe online practices.
- Strategic Partnerships:
The Company engages with specialized cybersecurity service providers to enhance capability, keep pace with evolving threats, and strengthen preventive and response readiness.

Cyber Security Risk Training Programs

The Company remains committed to strengthening its cybersecurity posture through ongoing employee training and awareness initiatives. These programs aim to build a strong security culture, reduce human-factor risks such as phishing and social engineering, and reinforce compliance with the Company's cybersecurity and data protection policies.

Cybersecurity training is delivered periodically to relevant employees and is aligned with business continuity objectives and applicable regulatory expectations. The program supports secure handling of sensitive information, timely reporting of suspected incidents, and consistent adoption of safe digital practices across the organization—thereby contributing to operational resilience, regulatory compliance, and protection of stakeholder data.

BOARD OVERSIGHT OF CYBERSECURITY RISKS

The Board of Directors considers cybersecurity a critical component of its enterprise risk oversight and promotes a proactive approach to identifying, assessing, and managing cyber risks. The Board remains actively engaged with management through periodic reporting and review of cybersecurity strategy, key risk assessments, material incidents (if any), and the status of control enhancements.

The Board also oversees management's compliance with applicable legal and regulatory requirements, including relevant SECP guidance and data protection expectations. Where necessary, the Board ensures that adequate resources are allocated to strengthen cybersecurity capabilities, enhance resilience, and protect the Company's information assets, customers, employees, and business partners.

CYBERSECURITY RISK MANAGEMENT AND EARLY WARNING SYSTEM

The Company has appointed a Chief Information Security Officer (CISO) to lead cybersecurity risk management and strengthen oversight and accountability. The CISO provides periodic updates to the Board (through relevant governance channels) on the Company's cybersecurity posture and key developments.

Cybersecurity risk management is supported through continuous monitoring and defined escalation mechanisms to provide early warning of potential threats and control weaknesses. The CISO's reporting to the Board typically includes updates on:

- cybersecurity risk assessments and key risk indicators (KRIs);
- results of penetration testing, vulnerability assessments and other security reviews conducted during the year;
- internal and external audits relating to information security and the status of remediation actions;
- material incidents (if any), lessons learned and improvements implemented; and
- emerging cyber threats and any significant regulatory or compliance developments relevant to cybersecurity.

This governance and monitoring approach supports timely detection, escalation, and response, helping to protect the Company's information assets, ensure operational resilience, and maintain compliance with applicable regulatory expectations.

The Company has implemented an early warning system to support timely identification, assessment, escalation, and response to cybersecurity risks and incidents. This system forms part of the overall risk management framework and supports structured communication with senior leadership and the Board.

1) Continuous Monitoring and Threat Detection

- The Company uses security tools and monitoring capabilities to detect potential threats and vulnerabilities on a continuous basis.
- Automated alerts and analytics help identify anomalous activity and patterns that may indicate cyber risk or an emerging incident.

2) Incident Assessment and Response

- A dedicated Cybersecurity Response Team (CRT) assesses identified events, classifies incidents based on severity and potential impact, and determines required actions.
- The CRT follows defined incident response protocols to contain threats, mitigate impact, and support recovery, with escalation thresholds to ensure timely reporting to senior management and the Board, where appropriate.

INDEPENDENT SECURITY ASSESSMENT
OF TECHNOLOGY ENVIRONMENT

The Company undertakes independent security assessments of its technology environment to evaluate the effectiveness of information security controls and identify areas for improvement. These assessments include reviews by independent internal assurance functions and/or external specialists, covering key areas such as infrastructure security, application controls, access management, vulnerability management, and third-party technology risks. Findings are documented, remediation actions are tracked through management action plans, and progress is reported to senior management and the Board through established governance channels.

RESILIENT CONTINGENCY ARRANGEMENTS
AND DISASTER RECOVERY PLAN

The Company is committed to maintaining a secure and resilient technology environment and strengthening operational continuity through robust contingency arrangements. These include periodic independent reviews of the cybersecurity framework, technology infrastructure and third-party risks to assess control effectiveness and identify improvement areas.

To support objective assurance, the Company has implemented a policy requiring comprehensive independent security assessments to be carried out by external cybersecurity specialists at defined intervals. Findings are documented, remediation actions are tracked through management action plans, and progress is monitored and reported through established governance channels.

The Company also maintains and periodically tests its continuity arrangements, including the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP), to support timely recovery of critical systems and uninterrupted delivery of core operations in the event of a disruption.

CYBER INSURANCE COVERAGE

The Company has implemented a comprehensive contingency and disaster recovery framework to support operational resilience and business continuity in the event of an IT failure or cybersecurity incident. The framework is designed to minimize disruption, protect critical systems and data, and enable timely restoration of normal operations through defined recovery procedures and escalation protocols.

In addition to these controls, the Company has in place cyber insurance coverage to further strengthen its risk transfer arrangements and enhance financial resilience against potential cyber-related losses.

ADVANCEMENTS IN DIGITAL TRANSFORMATION

The Company is committed to embracing digital transformation as a key enabler of operational efficiency, transparency, and enhanced governance. Digital initiatives are focused on strengthening core systems, streamlining workflows, and improving data availability to support faster decision-making and more effective oversight.

Key areas of focus include expanding digital servicing and distribution capabilities, enhancing MIS and analytics, and increasing automation to reduce manual interventions and improve control effectiveness. The Company also prioritizes technology resilience and information security to ensure continuity of critical operations as digital adoption increases.

KEY ELEMENTS OF THE CYBERSECURITY
TRAINING PROGRAM

The Company recognizes that cybersecurity awareness and preparedness are critical components of its overall risk management strategy. To mitigate cybersecurity risks, the Company has implemented a structured education and training program to enhance employee vigilance, promote safe practices, and support compliance with applicable requirements.

Key elements of the program include:

Mandatory Awareness Training: Periodic baseline training for employees covering core cybersecurity concepts, acceptable use, password hygiene, and secure handling of Company and customer information.

Phishing and Social Engineering Readiness: Targeted sessions (and where applicable, simulated exercises) to strengthen recognition of phishing, spoofing, and other social engineering attempts.

Policies and Compliance Reinforcement: Regular communication and refreshers on cybersecurity and data protection policies, including responsibilities for confidentiality and reporting.

Incident Reporting and Escalation: Clear guidance on how to identify, report, and escalate suspected incidents promptly, including required timelines and points of contact.

Third-Party and Remote Working Hygiene: Awareness on secure interaction with vendors/service providers and safe practices for remote access and device usage.

Continuous Improvement: Training content is periodically updated based on evolving threats, lessons learned from incidents (if any), audit observations, and regulatory expectations.

IT GOVERNANCE POLICY

The Company has comprehensive IT Policies approved by the Board of Directors. Key features of the policy include:

- 1. **IT Security:** Controls covering network security, applications, data protection, and safeguarding of IT assets.
- 2. **IT Roles and Responsibilities:** Defined responsibilities of IT staff and relevant users to ensure secure and effective operation of technology resources.
- 3. **Backup and Disaster Recovery:** Requirements for backups, maintenance of a disaster recovery site, and implementation and periodic testing of the Disaster Recovery Plan to support business continuity.

ENTERPRISE RESOURCE PLANNING (ERP),
EFFECTIVE IMPLEMENTATION AND UPDATING

EFU General has developed an in-house ERP system integrated with key functions including Underwriting, Finance, Human Resources, Reinsurance, and the online web application. This integrated platform enables operations to be managed through a single, unified system, improving data consistency, workflow efficiency, and coordination across departments.

The ERP is updated periodically to reflect evolving business needs, strengthen controls, and enhance system performance and reliability. Ongoing user support and training are provided to promote effective utilization and consistent process execution across the Company.

BOARD DISCLOSURE ON USE OF ERP /
INTEGRATED ENTERPRISE SYSTEMS

The Company continues to enhance its operational efficiency, internal controls and decision-making through the use of integrated enterprise systems / ERP-based solutions that support key business and support functions. These systems help standardize processes, improve data accuracy, strengthen reporting and facilitate effective coordination across departments.

a) Integration of core business processes

The Company's enterprise systems are designed to manage and integrate various core business functions through interconnected modules and applications. These include, as applicable, finance and accounting, human resources, underwriting support, claims processing, reinsurance administration, procurement, fixed assets, branch operations and management reporting. The integrated nature of these systems supports consistency of information, timely transaction processing and improved coordination across functions, while also enabling management to monitor operations and make informed decisions on a timely basis.

b) Management support for implementation and continuous updation

The Board and management recognize that effective implementation and regular enhancement of enterprise systems are essential for operational resilience and sound governance. Senior management remains actively engaged in supporting implementation, maintenance, periodic upgrades and process improvements so that the systems remain aligned with business requirements, regulatory expectations and technological developments. Resources are allocated for system improvement, automation and strengthening reporting and control features on an ongoing basis.

c) User training on ERP software

The Company places significant importance on user training and capacity building to ensure effective and controlled use of its ERP / enterprise systems. Employees are provided training, guidance and operational support according to their respective roles and system access levels. Such training covers system navigation, transaction processing, workflow approvals, reporting functionalities, internal control requirements and compliance with applicable policies and procedures.

Training is also arranged whenever new modules, process enhancements, upgrades or control features are introduced, so that users remain familiar with evolving system requirements and can perform their responsibilities efficiently and accurately. Refresher sessions and user support are provided, where necessary, to reinforce proper system usage, minimize operational errors and strengthen control awareness. This ongoing focus on training supports better user adoption, more reliable data input, improved reporting quality and stronger compliance with internal processes and authorization protocols.

d) Management of risks and control risk factors relating to ERP projects

The Company manages ERP and enterprise system-related risks through structured planning, defined authorization levels, testing procedures, change management controls and post-implementation monitoring. Key risks such as implementation delays, configuration issues, data migration risks, process disruption, dependency on users, cyber threats and control weaknesses are considered during system development, enhancement and deployment stages. Major changes are subject to appropriate review, testing and approval before implementation in the live environment.

e) System security, access to sensitive data and segregation of duties

The Company recognizes the importance of protecting information assets and maintaining the confidentiality, integrity and availability of sensitive data. Access to systems is controlled through user IDs, passwords, role-based access rights and authorization protocols aligned with job responsibilities. Sensitive information and critical transactions are restricted to authorized personnel only. Segregation of duties is embedded in workflows and approval hierarchies to reduce the risk of unauthorized activity, error or fraud. User access rights are reviewed periodically, particularly when employees change roles or leave the organization. The Company continues to strengthen cyber security measures, monitoring controls, data protection practices and business continuity arrangements to support a secure and controlled system environment.

10

FINANCIAL
PERFORMANCE

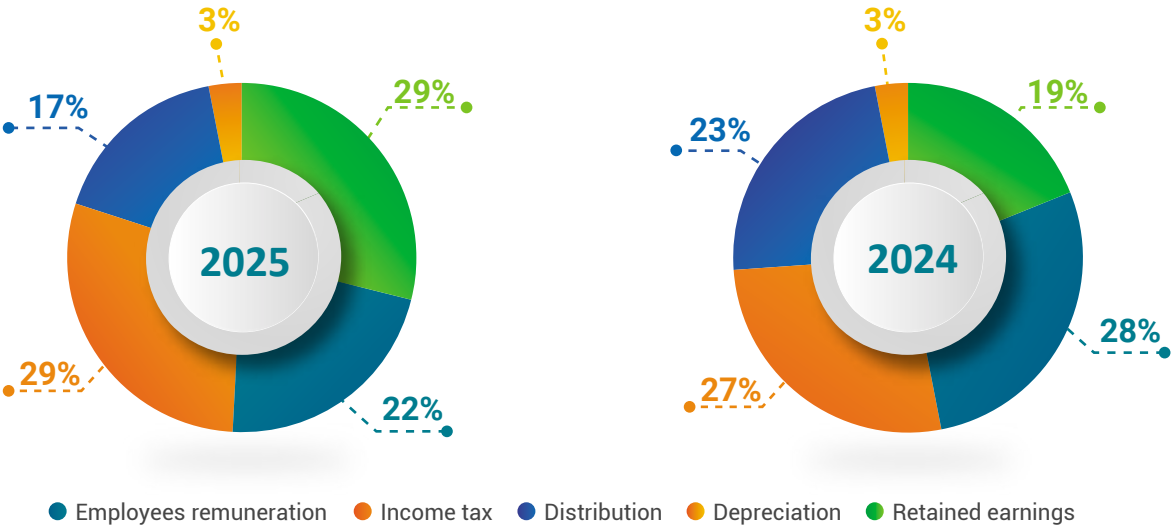


KEY FINANCIAL DATA

	2025	2024	2023	2022	2021	2020
Rupees in Million						
Written Premium (including Takaful Contribution)	46,886	41,269	41,521	31,957	24,657	22,639
Earned Premium	40,109	39,142	33,071	25,376	20,853	19,974
Net Premium Revenue	14,509	14,552	12,390	10,293	9,807	8,617
Underwriting Result	2,186	2,418	1,650	70	1,552	739
Investment & Other Income	6,512	3,621	3,888	2,679	2,257	2,616
Profit before tax	8,673	6,082	5,461	3,116	3,817	3,453
Profit after tax	5,298	3,711	3,282	2,006	2,707	2,371
Paid-up Capital	2,000	2,000	2,000	2,000	2,000	2,000
Shareholders' Equity	27,391	24,170	20,408	18,427	19,274	19,579
Breakup Value per Share with surplus (Rs.)	143.79	127.19	107.74	97.80	101.75	102.97
Earnings per Share (Rs.)	26.49	18.56	16.41	10.03	13.53	11.85
Investments & Properties	38,398	35,335	29,769	27,761	26,034	27,254
Cash & Bank Balances	2,117	1,718	2,287	1,635	1,190	1,329
Total Assets	85,626	78,367	67,549	56,619	47,000	45,812
Dividend (%)	100.00	100.00	100.00	100.00	100.00	100.00
Return on Capital Employed (%)	19.34	15.35	16.08	10.89	14.04	12.11

STATEMENT OF VALUE ADDED

	2025	2024
Rupees in Million		
Wealth generated		
Net premium revenue	14,509	14,552
Investment income	5,357	2,255
Rental income	139	129
Other income	675	853
	20,680	17,789
Less: Claims, Commission & Expenses (excluding employees remuneration, depreciation and donations)	(9,720)	(9,578)
Profit / (loss) from general takaful operations - OPF	609	655
Net wealth generated	11,569	8,866
Wealth distribution		
Employees remuneration	2,540	2,473
Income tax	3,375	2,371
Contribution to society / donations	19	12
	5,934	4,856
Distribution		
Cash Dividend	2,000	2,000
	2,000	2,000
Retained in equity		
Depreciation	337	299
Retained earnings	3,298	1,711
	3,635	2,010
	11,569	8,866



VERTICAL ANALYSIS OF
STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	2025		2024	
	Rupees	%	Rupees	%
Assets				
Property, plant and equipment	3,915	4.57	3,670	4.68
Investment property	3,737	4.36	3,462	4.42
Investments in subsidiary / associate	7,613	8.89	8,120	10.36
Investments				
Equity Securities	17,352	20.26	8,603	10.98
Debt Securities	8,976	10.48	14,484	18.48
Term Deposits	720	0.84	666	0.85
Loans and other receivables	1,491	1.74	920	1.17
Insurance / reinsurance receivables	6,763	7.90	7,634	9.74
Reinsurance recoveries against outstanding claims	8,040	9.39	8,596	10.97
Salvage recoveries accrued	115	0.13	93	0.12
Deferred commission expense	1,484	1.73	1,511	1.93
Retirement benefit	6	0.01	2	0.00
Taxation - payments less provision	-	-	-	-
Prepayments	13,025	15.21	10,716	13.67
Cash and bank	2,117	2.47	1,718	2.19
Total Assets	75,354	88.00	70,195	89.57
Total assets of Window Takaful Operations - Operator's Fund	10,272	12.00	8,172	10.43
Total Assets	85,626	100.00	78,367	100.00
Equity and Liabilities				
Capital and reserves attributable to Company's equity holders				
Ordinary Share Capital	2,000	2.34	2,000	2.55
Reserves	20,139	23.52	18,965	24.20
Unappropriated profit	5,252	6.13	3,205	4.09
Total Equity	27,391	31.99	24,170	30.84
Surplus on revaluation of property and equipment	1,367	1.60	1,268	1.62
Liabilities				
Underwriting provisions				
Outstanding claims including IBNR	12,546	14.65	13,030	16.63
Unearned premium reserves	20,674	24.14	18,315	23.37
Unearned reinsurance commission	349	0.41	329	0.42
Retirement benefit obligation	119	0.14	81	0.10
Deferred taxation	1,359	1.59	1,427	1.82
Premium received in advance	257	0.30	183	0.23
Insurance / reinsurance payables	7,115	8.31	7,830	9.99
Other creditors and accruals	5,113	5.97	4,624	5.90
Taxation - provision less payments	849	0.99	363	0.46
Total Liabilities	48,381	56.50	46,182	58.93
Total Equity and Liabilities	77,139	90.09	71,620	91.39
Total liabilities of Window Takaful Operations - Operator's Fund	8,487	9.91	6,747	8.61
Total Equity and Liabilities	85,626	100.00	78,367	100.00

Rupees in Million

2023		2022		2021		2020	
Rupees	%	Rupees	%	Rupees	%	Rupees	%
3,486	5.16	3,102	5.48	2,887	6.14	2,819	6.15
3,192	4.73	3,050	5.39	2,600	5.53	2,518	5.50
9,132	13.52	9,517	16.81	9,644	20.52	9,299	20.30
3,565	5.28	2,718	4.80	3,705	7.88	4,481	9.78
12,983	19.22	11,924	21.06	9,406	20.01	10,273	22.42
897	1.33	552	0.97	679	1.44	683	1.49
442	0.65	431	0.76	388	0.83	345	0.75
8,630	12.78	5,876	10.38	5,013	10.67	3,640	7.95
7,010	10.38	6,504	11.49	3,974	8.46	3,856	8.42
99	0.15	46	0.08	77	0.16	55	0.12
1,491	2.21	1,112	1.96	773	1.64	678	1.48
88	0.13	-	-	-	-	34	0.07
-	-	-	-	-	-	-	-
12,526	18.54	8,552	15.10	5,524	11.75	4,864	10.62
2,287	3.39	1,635	2.89	1,190	2.53	1,329	2.90
65,828	97.45	55,019	97.17	45,860	97.57	44,874	97.95
1,721	2.55	1,601	2.83	1,141	2.43	939	2.05
67,549	100.00	56,619	100.00	47,000	100.00	45,813	100.00
2,000	2.96	2,000	3.53	2,000	4.26	2,000	4.37
15,674	23.20	15,099	26.67	18,384	39.11	16,184	35.33
2,734	4.05	1,328	2.35	(1,111)	(2.36)	1,396	3.05
20,408	30.21	18,427	32.55	19,273	41.01	19,580	42.74
1,140	1.69	1,133	2.00	1,077	2.29	1,013	2.21
10,775	15.95	10,368	18.31	7,086	15.08	7,112	15.52
19,546	28.94	14,167	25.02	10,518	22.38	9,411	20.54
303	0.45	202	0.36	135	0.29	152	0.33
44	0.07	14	0.02	9	0.02	-	-
361	0.53	20	0.04	278	0.59	724	1.58
168	0.25	79	0.14	27	0.06	44	0.10
9,472	14.02	7,684	13.57	4,810	10.23	4,559	9.95
3,803	5.63	3,766	6.65	3,222	6.86	2,683	5.86
818	1.21	35	0.06	51	0.11	93	0.20
45,290	67.05	36,335	64.17	26,136	55.61	24,778	54.09
66,838	98.95	55,896	98.72	46,486	98.91	45,371	99.04
711	1.05	724	1.28	514	1.09	442	0.96
67,549	100.00	56,619	100.00	47,000	100.00	45,813	100.00

VERTICAL ANALYSIS OF
PROFIT AND LOSS ACCOUNT

Profit and Loss Account	2025		2024	
	Rupees	%	Rupees	%
Written Premium	42,468		37,911	
Net Premium Revenue	14,509	100.00	14,552	100.00
Net Insurance Claims	(6,031)	(41.57)	(5,818)	(39.98)
Net Commission	(2,597)	(17.90)	(2,569)	(17.65)
Total Insurance claims and acquisition expenses	(8,628)	(59.47)	(8,387)	(57.63)
Management Expenses	(3,695)	(25.47)	(3,747)	(25.75)
Underwriting Results	2,186	15.07	2,418	16.62
Investment Income	5,357	36.92	2,255	15.50
Rental Income	139	0.96	129	0.89
Other Income	406	2.80	583	4.01
Changes in fair value of investment property	269	1.85	270	1.86
Other Expenses	(277)	(1.91)	(210)	(1.44)
Results of operating activities	8,080	55.69	5,445	37.42
Finance costs	(16)	(0.11)	(18)	(0.12)
Profit from Window Takaful Operations - Operator's Fund	609	4.20	655	4.50
Profit before Tax	8,673	59.78	6,082	41.79
Income Tax Expense	(3,375)	(23.26)	(2,371)	(16.29)
Profit after Tax	5,298	36.52	3,711	25.50

Rupees in Million

2023		2022		2021		2020	
Rupees	%	Rupees	%	Rupees	%	Rupees	%
38,450		29,025		21,960		20,241	-
12,390	100.00	10,293	100.00	9,807	100.00	8,617	100.00
(5,123)	(41.35)	(5,600)	(54.41)	(4,277)	(43.61)	(4,359)	(50.59)
(2,126)	(17.16)	(1,586)	(15.41)	(1,269)	(12.94)	(775)	(8.99)
(7,249)	(58.51)	(7,186)	(69.81)	(5,546)	(56.55)	(5,134)	(59.58)
(3,491)	(28.18)	(3,037)	(29.51)	(2,709)	(27.62)	(2,744)	(31.84)
1,650	13.32	70	0.68	1,552	15.83	739	8.58
2,390	19.29	1,925	18.70	1,826	18.62	2,185	25.36
125	1.01	125	1.21	122	1.24	117	1.36
678	5.47	241	2.34	123	1.25	128	1.49
170	1.37	450	4.37	78	0.80	170	1.97
(236)	(1.90)	(81)	(0.79)	(71)	(0.72)	(72)	(0.84)
4,777	38.56	2,730	26.52	3,630	37.01	3,268	37.93
(12)	(0.10)	-	-	-	-	-	-
696	5.62	388	3.77	186	1.90	186	2.16
5,461	44.08	3,116	30.27	3,817	38.92	3,454	40.08
(2,179)	(17.59)	(1,110)	(10.78)	(1,110)	(11.32)	(1,083)	(12.57)
3,282	26.49	2,006	19.49	2,707	27.60	2,371	27.52

HORIZONTAL ANALYSIS OF
STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	2025	2024	2023	2022
Assets				
Property, plant and equipment	3,915	3,670	3,486	3,102
Investment property	3,737	3,462	3,192	3,050
Investments in subsidiary / associate	7,613	8,120	9,132	9,517
Investments				
Equity Securities	17,352	8,603	3,565	2,718
Debt Securities	8,976	14,484	12,983	11,924
Term Deposits	720	666	897	552
Loans and other receivables	1,491	920	442	431
Insurance / reinsurance receivables	6,763	7,634	8,630	5,876
Reinsurance recoveries against outstanding claims	8,040	8,596	7,010	6,504
Salvage recoveries accrued	115	93	99	46
Deferred commission expense	1,484	1,511	1,491	1,112
Retirement benefit	6	2	88	-
Taxation - payments less provision	-	-	-	-
Prepayments	13,025	10,716	12,526	8,552
Cash and bank	2,117	1,718	2,287	1,635
Total Assets	75,354	70,195	65,828	55,019
Total assets of Window Takaful Operations - Operator's Fund	10,272	8,172	1,721	1,601
Total Assets	85,626	78,367	67,549	56,620
Equity and Liabilities				
Capital and reserves attributable to Company's equity holders				
Ordinary Share Capital	2,000	2,000	2,000	2,000
Reserves	20,139	18,965	15,674	15,099
Unappropriated profit	5,252	3,205	2,734	1,328
Total Equity	27,391	24,170	20,408	18,427
Surplus on revaluation of property and equipment	1,367	1,268	1,140	1,133
Liabilities				
Underwriting provisions				
Outstanding claims including IBNR	12,546	13,030	10,775	10,368
Unearned premium reserves	20,674	18,315	19,546	14,167
Unearned reinsurance commission	349	329	303	202
Retirement benefit obligation	119	81	44	14
Deferred taxation	1,359	1,427	361	20
Premium received in advance	257	183	168	79
Insurance / reinsurance payables	7,115	7,830	9,472	7,684
Other creditors and accruals	5,113	4,624	3,803	3,766
Taxation - provision less payments	849	363	818	35
Total Liabilities	48,381	46,182	45,290	36,335
Total Equity and Liabilities	77,139	71,620	79,805	62,302
Total liabilities of Window Takaful Operations - Operator's Fund	8,487	6,747	711	724
Total Equity and Liabilities	85,626	78,367	80,516	63,026

Rupees in Million		% increase / (decrease) over preceding year					
2021	2020	2025	2024	2023	2022	2021	2020
2,887	2,819	6.68	5.28	12.38	7.45	2.41	(5.00)
2,600	2,518	7.94	8.46	4.66	17.31	3.26	7.54
9,644	9,299	(6.24)	(11.08)	(4.05)	(1.32)	3.71	(8.56)
3,705	4,481	101.70	141.32	31.16	(26.64)	(17.32)	36.97
9,406	10,273	(38.03)	11.56	8.88	26.77	(8.44)	6.41
679	683	8.11	(25.75)	62.50	(18.70)	(0.59)	53.71
388	345	62.07	108.14	2.55	11.08	12.46	33.37
5,013	3,640	(11.41)	(11.54)	46.87	17.22	37.72	(9.29)
3,974	3,856	(6.47)	22.62	7.78	63.66	3.06	(5.53)
77	55	23.66	(6.06)	115.22	(40.26)	40.00	23.46
773	678	(1.79)	1.34	34.08	43.86	14.01	13.25
-	34	200.00	(97.73)	-	-	(100.00)	14.52
-	-	-	-	-	-	-	(100.00)
5,524	4,864	21.55	(14.45)	46.47	54.82	13.57	(16.86)
1,190	1,329	23.22	(24.88)	39.88	37.39	(10.46)	11.52
45,860	44,874	7.35	6.63	19.65	19.97	2.20	(0.15)
1,141	939	25.70	374.83	7.50	40.32	21.51	23.59
47,001	45,813	9.26	16.01	19.30	20.47	2.59	0.25
2,000	2,000	-	-	-	-	-	-
18,384	16,184	6.19	21.00	3.81	(17.87)	13.59	2.65
(1,111)	1,396	63.87	17.23	105.87	(219.53)	(179.58)	(8.77)
19,273	19,580	13.33	18.43	10.75	(4.39)	(1.57)	1.47
1,077	1,013	7.81	11.23	0.62	5.20	6.32	1.26
7,086	7,112	(3.71)	20.93	3.93	46.32	(0.37)	13.37
10,518	9,411	12.88	(6.30)	37.97	34.69	11.76	2.92
135	152	6.08	8.58	50.00	49.63	(11.18)	(64.73)
9	-	46.91	84.09	214.29	55.56	-	-
278	724	(4.77)	295.29	1,705.00	(92.81)	(61.60)	8.39
27	44	40.44	8.93	112.66	192.59	(38.64)	(35.54)
4,810	4,559	(9.13)	(17.34)	23.27	59.75	5.51	(24.87)
3,222	2,683	10.58	21.59	0.98	16.88	20.09	13.87
51	93	133.88	(55.62)	2,237.14	(31.37)	(45.16)	-
26,136	24,778	4.76	1.97	24.65	39.02	5.48	(0.92)
46,486	45,371	7.71	(10.26)	28.09	34.02	2.46	0.15
514	442	25.79	848.95	(1.80)	40.86	16.29	12.14
47,000	45,813	9.26	(2.67)	27.75	34.10	2.59	0.25

HORIZONTAL ANALYSIS OF
PROFIT AND LOSS ACCOUNT

Profit and Loss Account	2025	2024	2023	2022
Written Premium	42,468	37,911	38,450	29,025
Net Premium Revenue	14,509	14,552	12,390	10,293
Net Insurance Claims	(6,031)	(5,818)	(5,123)	(5,600)
Net Commission	(2,597)	(2,569)	(2,126)	(1,586)
Total Insurance claims and acquisition expenses	(8,628)	(8,387)	(7,249)	(7,186)
Management Expenses	(3,695)	(3,747)	(3,491)	(3,037)
Underwriting Results	2,186	2,418	1,650	70
Investment Income	5,357	2,255	2,390	1,925
Rental Income	139	129	125	125
Other Income	406	583	678	241
Changes in fair value of investment property	269	270	170	450
Other Expenses	(277)	(210)	(236)	(81)
Results of operating activities	8,080	5,445	4,777	2,730
Finance costs	(16)	(18)	(12)	-
Profit from Window Takaful Operations - Operator's Fund	609	655	696	388
Profit before Tax	8,673	6,082	5,461	3,118
Income Tax Expense	(3,375)	(2,371)	(2,179)	(1,110)
Profit after Tax	5,298	3,711	3,282	2,008

Rupees in Million		% increase / (decrease) over preceding year					
2021	2020	2025	2024	2023	2022	2021	2020
21,960	20,241	12.02	(1.40)	32.47	32.17	8.49	2.36
9,807	8,617	(0.30)	17.45	20.37	4.96	13.81	15.51
(4,277)	(4,359)	3.66	13.57	(8.52)	30.93	(1.88)	22.82
(1,269)	(775)	1.09	20.84	34.05	24.98	63.74	39.39
(5,546)	(5,134)	2.87	15.70	0.88	29.57	8.02	25.07
(2,709)	(2,744)	(1.39)	7.33	14.95	12.11	(1.28)	(3.69)
1,552	739	(9.59)	46.55	2,257.14	(95.49)	110.01	46.05
1,826	2,185	137.56	(5.65)	24.16	5.42	(16.43)	(3.40)
122	117	7.75	3.20	-	2.46	4.27	4.46
123	128	(30.36)	(14.01)	181.33	95.93	(3.91)	(41.55)
78	170	(0.37)	58.82	(62.22)	476.92	(54.12)	(60.83)
(71)	(72)	31.90	(11.02)	191.36	14.08	(1.39)	41.18
3,630	3,267	48.39	13.98	74.98	(24.79)	11.11	(6.17)
-	-	(11.11)	50.00	-	-	-	(100.00)
186	186	(7.02)	(5.89)	79.38	108.60	-	(13.08)
3,816	3,453	42.60	11.37	75.14	(18.29)	10.51	(9.80)
(1,110)	(1,083)	42.35	8.81	96.31	-	2.49	(11.16)
2,706	2,370	42.76	13.07	63.45	(25.79)	14.18	(9.16)

CASH FLOW SUMMARY

	2025	2024	2023	2022	2021	2020
Rupees in Million						
Cash Flow Summary						
Operating Activities	(421)	676	3,082	159	1,402	911
Investing Activities	2,877	823	(651)	1,705	748	1,152
Financing Activities	(2,014)	(2,017)	(1,986)	(2,003)	(2,012)	(2,139)
Cash and Cash Equivalents at year end	2,117	1,718	1,635	1,190	1,329	1,192

FREE CASH FLOW

	2025	2024
Rupees in million		
Net cash flow from operating activities	(421)	676
Net cash generated from / (used in) investing activities	2,877	823
Net cash outflow from financing activities	(2,014)	(2,017)
Free Cash Flows	442	(518)
ECONOMIC VALUE ADDED		
Net Operating Profit after Tax	5,298	3,711
Less: Cost of Capital	-	-
Economic Value Added	5,298	3,711

INDICATORS AND PERFORMANCE MEASURES

Overall growth in the insurance industry has a positive relationship with growth in the economy. Insurance industry plays an important role in the economy by managing and indemnifying financial risk and by serving as institutional investor in the capital market.

The Company is continuously working towards exploring new horizons and avenues to increase the market base. The Company is offering both Conventional as well as Takaful products to its customers. We are not only the largest and oldest insurance Company in Pakistan but we are also the leading insurer in terms of market share in Pakistan.

Assumptions in Compiling Indicators

Being a service provider, the Company undertakes various considerations while compiling the indicators such as Company's financial position, financial performance, liquidity position, market standing and customer perception. These assumptions are reviewed, monitored and if needed, amended periodically.

FINANCIAL RATIOS

Profitability		2025	2024	2023	2022	2021	2020
Profit after Tax / Net Insurance Premium	%	36.52	25.50	26.49	19.49	27.60	27.52
Profit before Tax / Net Insurance Premium	%	59.78	41.79	44.08	30.27	38.92	40.08
Underwriting Result / Net Insurance Premium	%	15.07	16.62	13.32	0.68	15.83	8.58
Underwriting Result / Written Premium	%	5.15	6.38	4.29	0.24	7.07	3.65
Profit before Tax / Total Income	%	40.74	32.98	33.20	23.22	31.44	30.29
Profit after Tax / Total Income	%	24.89	20.12	19.95	14.95	22.29	20.79
Profit before Tax / Written Premium	%	20.42	16.04	14.20	10.74	17.38	17.06
Profit after Tax / Written Premium	%	12.48	9.79	8.54	6.91	12.33	11.71
Combined Ratio	%	84.93	84.95	88.68	100.11	84.90	92.26
Management Expenses / Net Insurance Premium	%	25.47	25.75	28.18	29.51	27.62	31.84
Net Claims / Net Insurance Premium	%	41.57	39.98	41.35	54.41	43.61	50.59
Net Commission / Net Insurance Premium	%	17.90	17.65	17.16	15.41	12.94	8.99
Other Expenses / Net Insurance Premium	%	2.02	1.57	2.00	0.79	0.72	0.84
Persistency ratio	%	80.68	80.42	86.96	87.10	86.02	85.10
Reinsurance premium ceded on gross premium	%	65.71	60.07	51.96	50.30	56.11	58.28
Reinsurance claim recovery percentage	%	5.07	12.24	15.03	12.25	8.46	12.36
Retention ratio	%	34.29	39.93	48.04	49.70	43.89	41.72
Return to Share Holders							
Return on Assets	%	6.19	4.74	4.86	3.54	5.76	5.18
Return on Equity	%	18.42	14.59	15.23	10.26	13.30	11.51
Return on Investments	%	15.46	7.07	8.99	7.79	7.79	8.83
Earnings per Share	Rs.	26.49	18.56	16.41	10.03	13.54	11.86
Earnings Growth	%	42.76	85.00	63.61	(25.90)	14.17	9.20
Price to Earnings Ratio	Times	4.57	6.25	5.64	10.47	8.87	9.30
Dividend Yield	%	8.26	8.62	10.81	9.52	8.33	9.07
Net Assets per Share	Rs.	136.96	120.85	102.04	92.14	96.37	97.90
Breakup Value per Share	Rs.	143.79	127.19	107.74	97.80	101.75	102.97
Without Surplus on Revaluation of PPE	Rs.	136.96	120.85	102.04	92.14	96.37	97.90
Market Data							
Face Value (per share)	Rs.	10.00	10.00	10.00	10.00	10.00	10.00
Market Price per share at the end of the year	Rs.	121.10	116.03	92.50	105.00	120.00	110.30
Market Price per share - Highest during the year	Rs.	136.16	137.25	118.02	123.75	129.41	127.65
Market Price per share - Lowest during the year	Rs.	111.01	82.30	92.50	104.36	78.32	67.50
KSE 100 Index	Points	174,054	115,127	62,451	40,420	44,596	43,755
Market Capitalization	(Rs. M)	24,220	23,206	18,500	21,000	24,000	22,060
Price to Book Value	Times	0.84	0.91	0.86	1.07	1.18	1.07
Cash Dividend per Share	Rs.	10.00	10.00	10.00	10.00	10.00	10.00
Cash Dividend	%	100.00	100.00	100.00	100.00	100.00	100.00
Dividend Pay out as a % of profit after tax	%	37.75	53.89	60.94	99.70	73.88	84.35
Dividend Cover	Times	2.65	1.86	1.64	1.00	1.35	1.19
Performance / Liquidity							
Current Ratio	Times	1.28	1.23	1.11	1.08	1.19	1.26
Quick Acid Test Ratio	Times	7.67	5.89	6.07	5.69	6.10	6.96
Cash / Current Liabilities	%	4.50	3.84	5.09	4.50	4.60	5.53
Total Assets Turnover	Times	0.17	0.19	0.18	0.18	0.21	0.19
Fixed Assets Turnover	Times	5.90	5.39	5.45	5.50	4.79	5.32
Total Liabilities / Equity	Times	1.77	1.91	2.22	1.97	1.36	1.27
Paid-up Capital / Total Assets	%	31.99	30.84	30.21	32.55	41.01	42.74
Earning Assets / Total Assets	%	46.59	46.26	44.72	49.79	56.22	60.24
Gross Yield on Earning Assets	%	13.78	6.58	8.32	7.27	7.37	8.34
Equity / Total Assets	%	31.99	30.84	30.21	32.55	41.01	42.74
Return on Capital Employed	%	31.66	25.16	26.76	16.91	19.80	17.64
Non-Financial Ratios							
Staff Turnover Ratio	%	11.60	9.91	6.98	5.64	4.69	5.05
Revenue per Employee	(Rs. '000)	21,332	17,125	11,898	10,614	9,680	8,866

COMMENTS ON KEY FINANCIAL DATA

Performance Ratios

The claim ratio and expense ratio for the year were 41.57 % from 39.98 % and 25.47% from 25.75% compared to last year. The combined ratio was 84.93 % compared to 83.38 % last year.

The return on equity in 2025 was 18.42% compared to last year's 14.59% while return on capital employed was 19.34 % as compared to 15.35 % last year.

The Company has been maintaining a consistently healthy dividend payout ratio.

Balance sheet

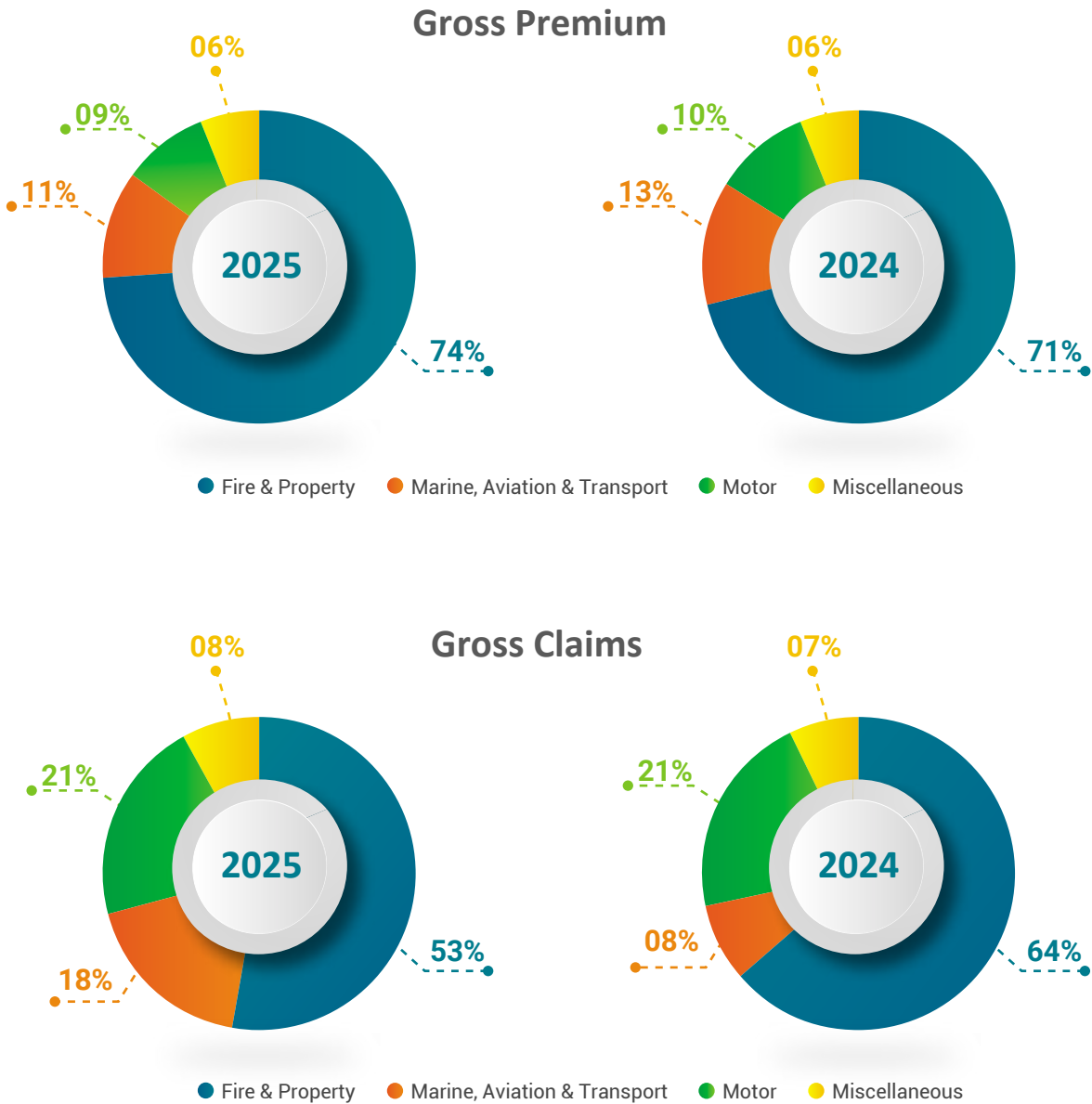
The Company's assets were at Rs. 85.6 billion compared to Rs. 72.4 billion last year. Total equity of the Company stood at Rs. 27.4 billion as compared to Rs.24.2 billion last year.

Profit and loss Account

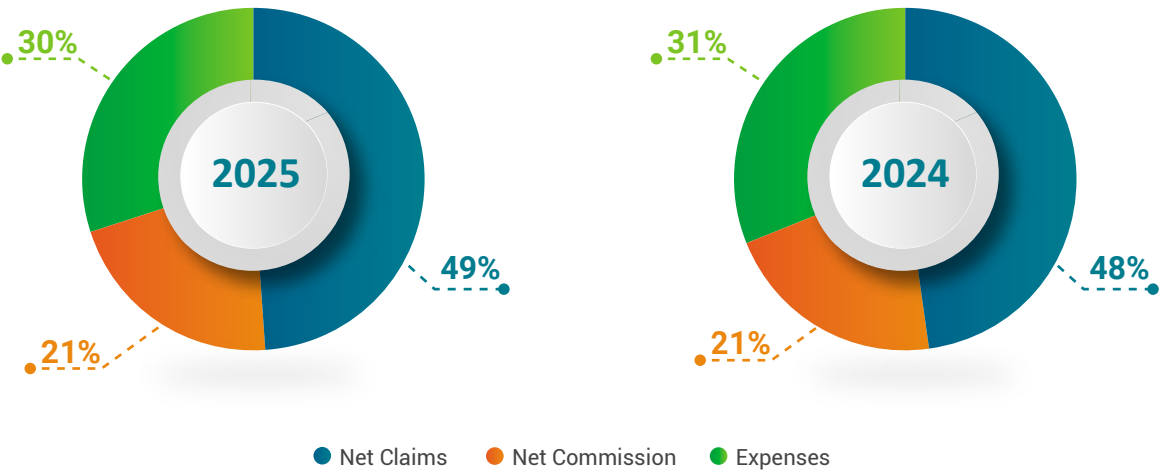
During the year, gross written premium (including takaful contribution) continued its growth trajectory to clock in at Rs. 46.9 billion as against Rs. 41.5 billion last year.

Net premium revenue remained largely flat, declining by 0.3% due to challenging business conditions. In contrast, investment and other income posted substantial growth, standing at Rs. 5.9 billion, providing a strong offset to underwriting pressure.

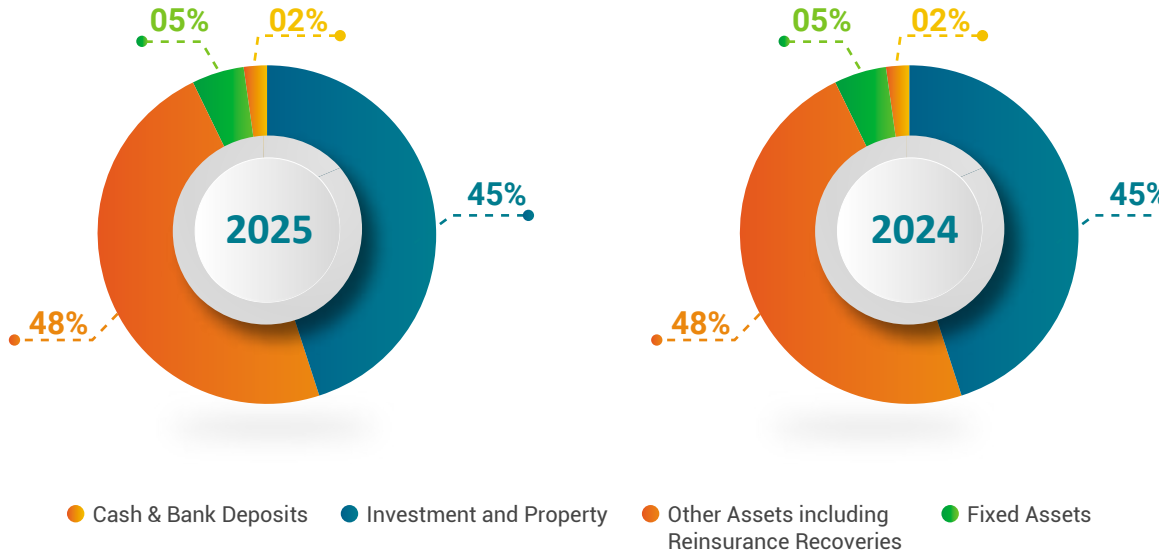
ANALYSIS OF FINANCIAL
STATEMENTS



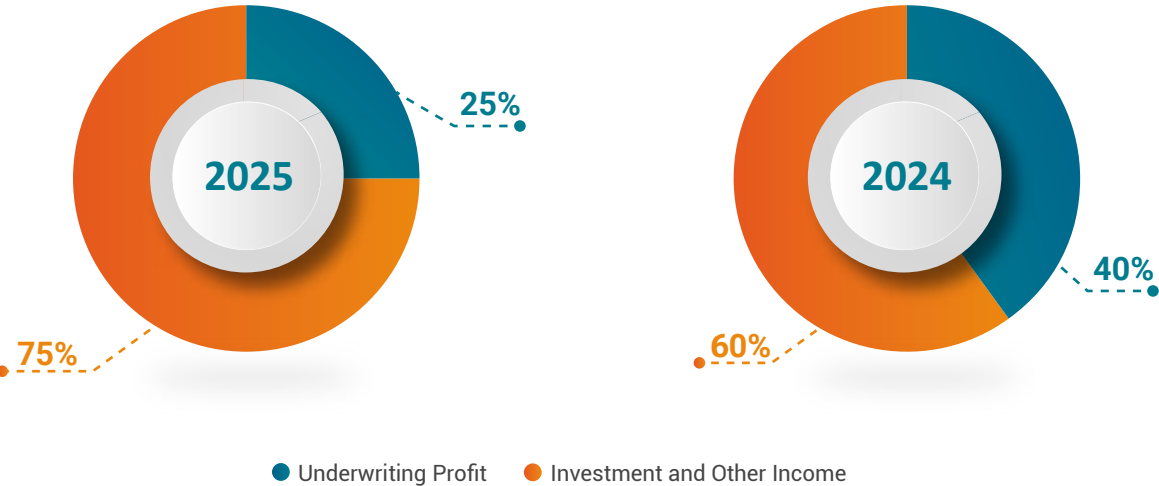
COMBINED EXPENSES



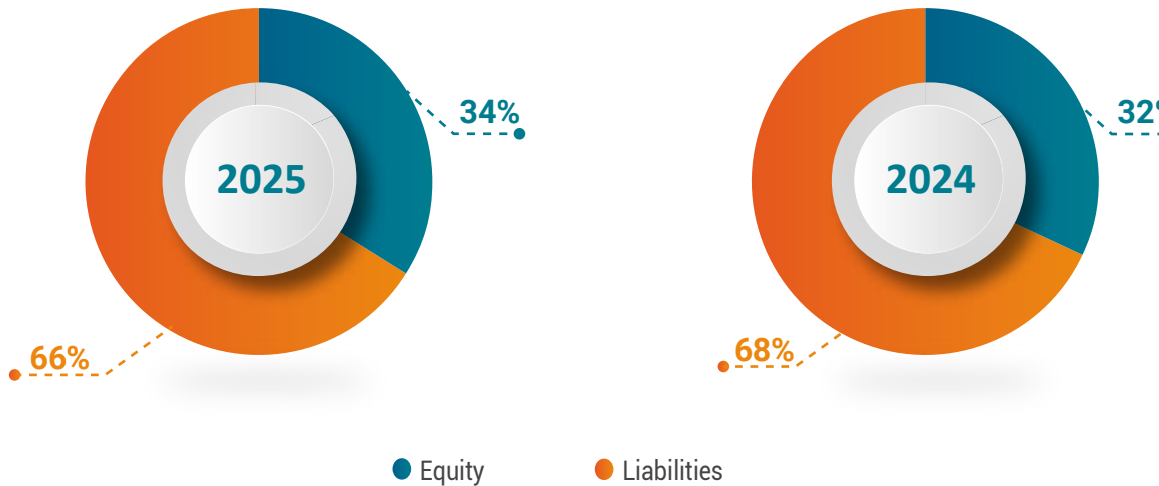
TOTAL ASSETS



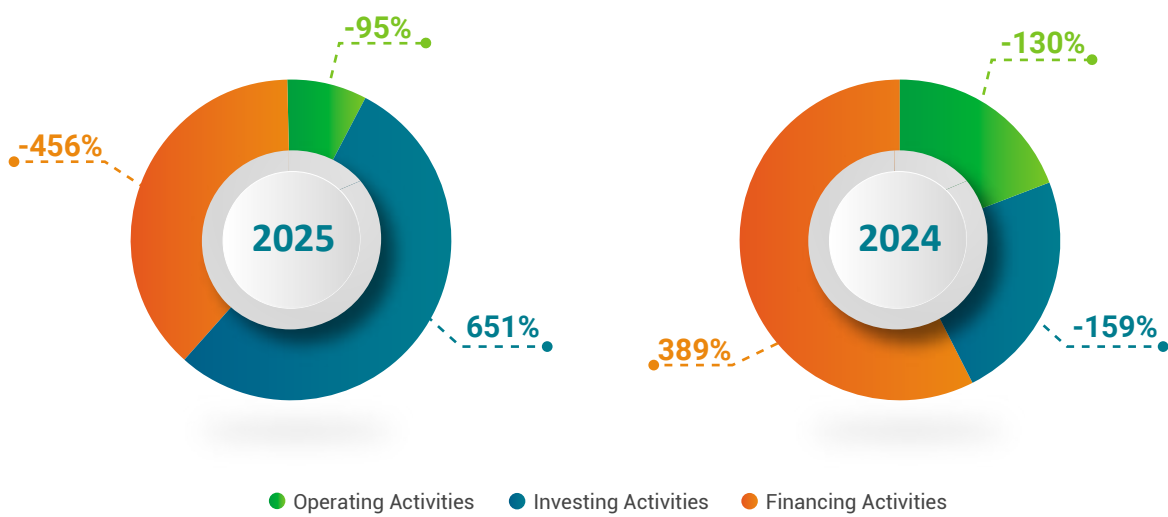
ANALYSIS OF INCOME



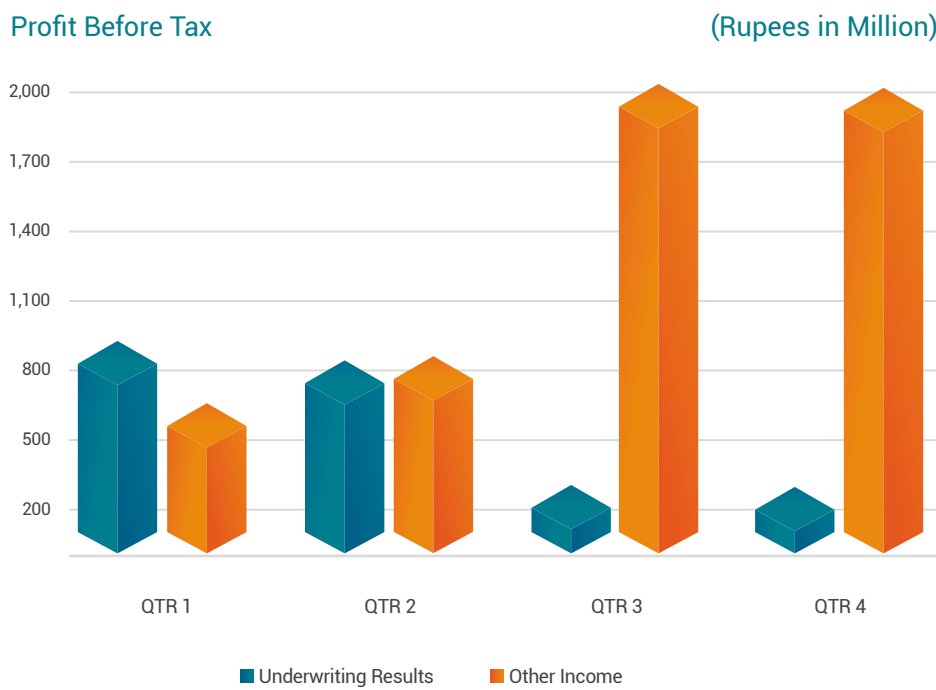
TOTAL EQUITY AND LIABILITIES



CASH FLOW ANALYSIS



ANALYSIS OF VARIATION



Underwriting Results

The Company's Written Direct Premium and takaful business in Pakistan was Rs. 46.9 billion (inclusive of Rs. 4.4 billion of takaful contribution) as compared to Rs. 41.3 billion (inclusive of Rs. 3.4 billion of takaful contribution) in 2024, while the Net Premium Revenue slightly declined by 0.3% to Rs. 14.50 billion as compared to Rs. 14.55 billion in 2024. Underwriting results experienced a decline of 9.6% year on year, closing at Rs. 2.2 billion compared to Rs. 2.4 billion in 2024. Profit from window takaful operations - Operators' Fund was Rs. 371 million as against Rs. 399 million last year.

Investment Income & Other Income

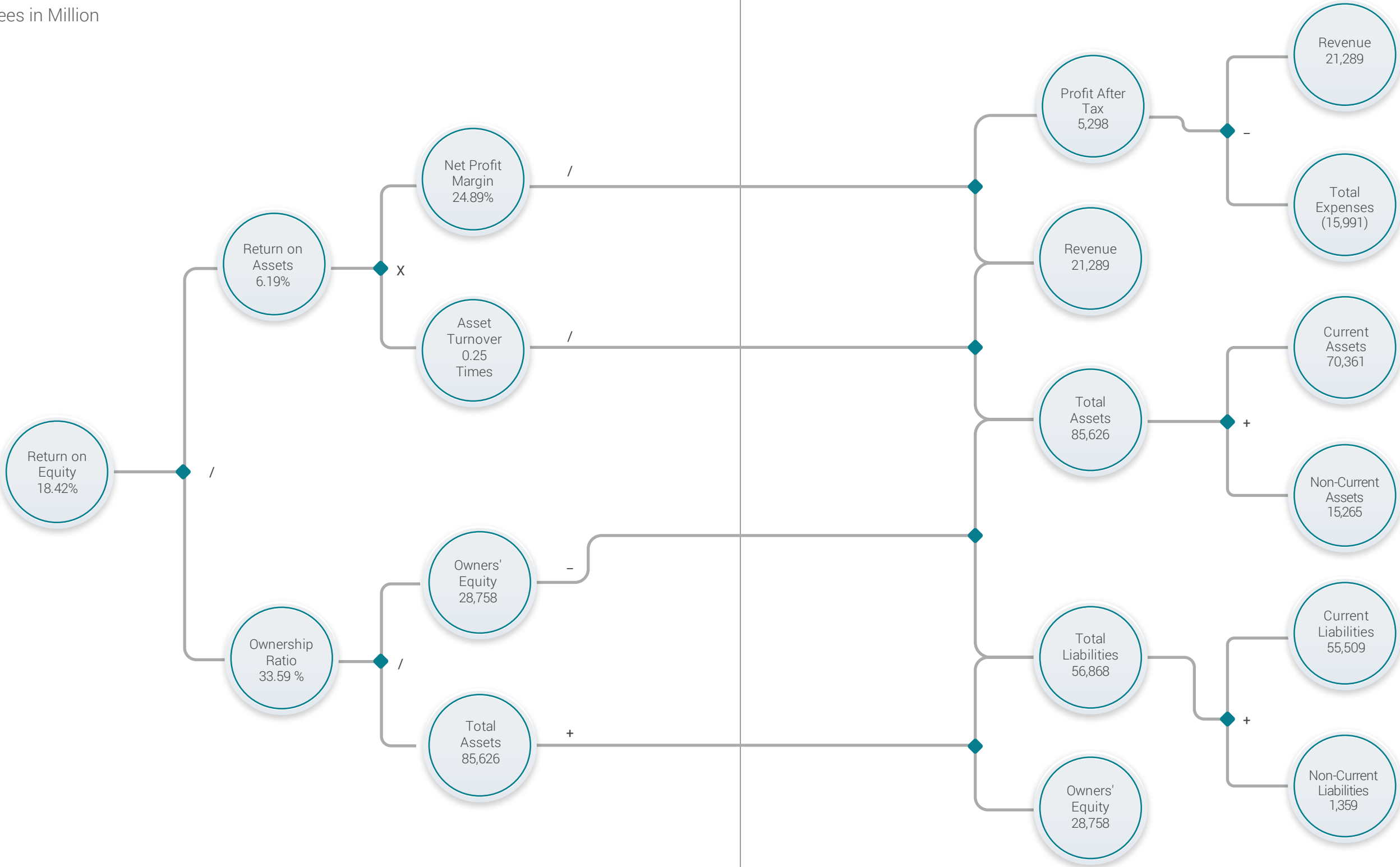
The Company's investment income surged by 137.6% during the year, primarily driven by strong equity market performance amid the bullish rally in the Pakistan Stock Exchange, resulting in significant capital gains and mark-to-market appreciation. Capital gain realization was Rs. 3.2 billion as against Rs. 93 million last year.

Profit after Tax

Your Company's profit after tax for the year 2025 was Rs. 5.3 billion as compared to Rs. 3.7 billion in 2024. The earnings per share was Rs. 26.49 as against Rs. 18.56 of last year.

DUPONT ANALYSIS 2025

Rupees in Million



A person wearing a white shirt is seated at a desk, holding a white calculator in their right hand and pointing with their left index finger towards a laptop screen. The desk is cluttered with various items: a pen holder with several pens, a computer mouse, a pair of glasses, and some papers featuring blue bar and pie charts. A small potted plant with green grass in a white decorative pot is visible on the right side of the desk. The background is slightly blurred, showing more of the office environment.

11

UNCONSOLIDATED
FINANCIAL
STATEMENTS



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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Unconsolidated Financial Statements

To the members of EFU General Insurance Limited

Opinion

We have audited the annexed unconsolidated financial statements of **EFU General Insurance Limited** (the Company), which comprise the unconsolidated statement of financial position as at 31 December 2025, the unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, and notes to the unconsolidated 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.

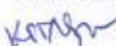
In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the *Audit of the Unconsolidated 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 unconsolidated financial statements for the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

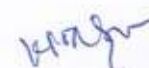

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Following are the key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	Outstanding claims including incurred but not reported (IBNR)	
	The Company's liability relating to outstanding claims including Incurred but not reported (IBNR) aggregating to Rs. 12,546 million. The provision for Incurred But Not Reported (IBNR) claims is calculated by the Company in compliance with Circular No. 9 of 2016 issued by the Securities and Exchange Commission of Pakistan (SECP). As per the circular, insurers are required to estimate and maintain IBNR provisions for each business class using the prescribed "Chain Ladder Method" or an alternative method permitted under the SECP Guidelines. Valuation of these liabilities is highly judgmental because it requires a number of assumptions to be made with high estimation uncertainty such as loss ratios, estimates of the frequency and severity of claims. Furthermore, the Company also maintains a provision for claims including IBNR based on the advice of an independent actuary. The determination and application of the methodology and performance of the calculations are also complex. Due to the significant judgment and estimation required to determine the obligations relating to outstanding claims including IBNR, we consider it to be a Key Audit Matter.	Our audit procedures amongst other procedures included the following: - Obtaining an understanding of the Company's process and evaluating the design and implementation of key controls in recognition and valuation of insurance liabilities. - Assessing the appropriateness of the Company's accounting policy for recognition and measurement of insurance liabilities, in compliance with applicable accounting and reporting standards. - Assessing the consistency of the methods used for calculation of the IBNR claims and assumptions for the valuation parameters at 31 December 2025 to establish whether these had been subject to any arbitrary discontinuities from those used at 31 December 2024. - Performing procedures to evaluate the accuracy, completeness and reliability of the underlying data utilized for the purposes of measurement by reference to its source. - Inspecting the report submitted by the Appointed Actuary for the year ended 31 December 2025, to the Board of Directors of the Company in respect of the insurance liabilities and the related methods and assumptions used for this purpose. - Appointing an independent actuarial expert to assess the reasonableness of assumptions and methods used by the





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S. No.	Key audit matters	How the matters were addressed in our audit
	Refer to note 3.16 and 24 to the unconsolidated financial statements relating to outstanding claims including (IBNR).	management's expert in the valuation of insurance liabilities. Our procedures also included evaluating the adequacy of the work performed by our independent appointed actuarial expert. Assessing the appropriateness of disclosures made in the unconsolidated financial statements to ascertain whether these are in compliance with the applicable accounting and reporting standards.
2.	Existence, valuation, and impairment of investments	
	The investments of Rs 34,661 million as at 31 December 2025 held by the Company. The Company's investment portfolio comprises of government debt securities, equity securities, other fixed income securities and term deposits. We identified the existence, valuation, and impairment of investments as a key audit matter due to the material significance of investments relative to the Company's total asset size, as well as the inherent complexity involved in evaluating the valuation methodologies and assessing potential impairment of the investment portfolio. Refer to note 8 to 11 to the unconsolidated financial statements and the accounting policies in note 3.5 for investments.	Our audit procedures amongst other procedures included the following: - Obtaining an understanding of the Company's process for valuation and classification of investments and evaluating the design and implementation of key controls over the process relating to valuation and classification of the investments. - Obtaining independent confirmations to verify the existence of the investment portfolio as at 31 December 2025 and reconciling the contents of the reply with the books and records of the Company. In that instance, where confirmations were not received, alternate audit procedures were performed. Comparing the external statements of security custodian (CDC/IPS) with the books and records of the Company to assess whether the number of scripts have been accurately recorded by the Company. - Performing recalculation by using the data and inputs used in the valuation to assess the accuracy of carrying value of



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S. No.	Key audit matters	How the matters were addressed in our audit
		investments at the reporting date. - Evaluating whether the impairment loss in respect of the available for sale securities has been appropriately recognized and is in compliance with applicable financial reporting standards. - Assessing the appropriateness of the accounting policy adopted by the Company for compliance with the requirements of applicable financial reporting framework. - Assessing the appropriateness of disclosures made in the unconsolidated financial statements to ascertain whether these are in compliance with the applicable accounting and reporting standards.
3.	Premium	
	The Company generates its income primarily from premiums. Premium from insurance policies amounts to Rs. 40,109 million. We identified premium earned as a key audit matter because it is a key performance indicator of the Company and possess a risk of overstatement by recording transactions that may not have occurred. Refer note 3.14.1 and 23 of the annexed unconsolidated financial statements relating to premiums.	Our audit procedures amongst other procedures included the following: - Obtaining an understanding of the Company process for recognition of premium and evaluating the design and implementation of key controls involved in the process of capturing, processing and recording of premiums. - Comparing, using an appropriate sample of premium underwritten from the underlying policies issued to evaluate appropriateness of recognized premium during the year. - Assessing the appropriateness of the Company's accounting policy for recognition of premium, in compliance with applicable accounting and reporting standards. - Using an appropriate sample, tested premium underwritten close to year end and



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S. No.	Key audit matters	How the matters were addressed in our audit
		subsequent to year end to evaluate that revenue from premiums was recognised in the appropriate accounting year in compliance with the applicable accounting and reporting standards. Recalculating the unearned portion of premium underwritten and ensuring that the appropriate amount is recorded in the current year.

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

Management is responsible for the other information. The other information comprises of Chairman's review, Directors' report and key operating and financial data, horizontal analysis, vertical analysis and statement of value addition and its distribution included in the annual report but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the unconsolidated 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 Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated 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.



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- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit and loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, and Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made and expenditure incurred 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.



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

Date: 6 March 2026

Karachi

UDIN: AR202510096wZJPRxT4H

KPMG Taseer Hadi & Co.
Chartered Accountants

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	31 December 2025	31 December 2024 (Restated) (Rupees in '000)	01 January 2024 (Restated)
Assets				
Property and equipment	5	3,914,724	3,669,772	3,485,818
Intangible assets	6	-	-	-
Investment properties	7	3,737,181	3,462,112	3,191,970
Investment in subsidiary	8	7,612,613	8,120,149	9,132,138
Investments				
Equity securities	9	17,351,863	8,603,348	3,565,490
Debt securities	10	8,976,422	14,483,919	12,982,564
Term deposits	11	719,916	665,734	896,684
Loans and other receivables	12	1,490,729	920,669	441,912
Insurance / reinsurance receivables	13	6,762,856	7,634,503	8,629,907
Reinsurance recoveries against outstanding claims	24	8,040,266	8,596,247	7,009,843
Salvage recoveries accrued		115,305	92,600	99,276
Deferred commission expense	25	1,483,625	1,510,828	1,491,266
Retirement benefit - pension	18	5,953	1,680	88,193
Prepayments	14	13,025,399	10,715,960	12,525,940
Cash and bank	15	2,116,840	1,717,797	2,286,861
		75,353,692	70,195,318	65,827,862
Total assets of window general takaful operations	3.26	10,272,566	8,171,782	6,785,688
Total assets		85,626,258	78,367,100	72,613,550
Equity and Liabilities				
Capital and reserves attributable to Company's equity holders				
Ordinary share capital	16	2,000,000	2,000,000	2,000,000
Reserves	17	20,138,685	18,964,631	15,674,047
Unappropriated profit	17	5,251,713	3,205,197	2,733,704
Total equity		27,390,398	24,169,828	20,407,751
Surplus on revaluation of property and equipment - net	5.3	1,366,641	1,268,014	1,139,550
Liabilities				
Underwriting provisions				
Outstanding claims including IBNR	24	12,545,548	13,029,997	10,774,706
Unearned premium reserve	23	20,673,685	18,315,194	19,546,386
Unearned reinsurance commission	25	348,688	329,486	302,821
Retirement benefit - gratuity	18	118,992	80,936	44,238
Deferred taxation	19	1,359,217	1,426,822	360,812
Premium received in advance		257,280	182,957	167,683
Insurance / reinsurance payables	20	7,114,753	7,830,481	9,472,269
Other creditors and accruals	21	5,113,253	4,622,888	3,804,028
Taxation - provision less payments		849,356	362,981	817,640
Total liabilities		48,380,772	46,181,742	45,290,583
		77,137,811	71,619,584	66,837,884
Total liabilities and fund of window general takaful operations	3.26	8,488,447	6,747,516	5,775,666
Total equity and liabilities		85,626,258	78,367,100	72,613,550
Contingencies and commitments	22			

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

UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2025

	Note	2025 (Rupees in '000)	2024
Net insurance premium	23	14,509,416	14,552,144
Net insurance claims	24	(6,030,532)	(5,817,434)
Net commission and other acquisition costs	25	(2,596,575)	(2,569,332)
Insurance claims and acquisition expenses		(8,627,107)	(8,386,766)
Management expenses	26	(3,695,022)	(3,747,366)
Underwriting results		2,187,287	2,418,012
Investment income	27	5,356,779	2,254,619
Rental income	28	138,738	128,901
Other income	29	405,799	584,456
Change in fair value of investment properties	7	269,247	269,721
Other expenses	30	(277,108)	(210,148)
		5,893,455	3,027,549
Results of operating activities		8,080,742	5,445,561
Finance cost		(15,993)	(17,985)
Profit from window takaful operations - Operator's Fund	31	608,722	654,501
Profit before tax		8,673,471	6,082,077
Taxation	32		
Current		(3,592,573)	(2,688,745)
Deferred		217,606	317,796
		(3,374,967)	(2,370,949)
Profit after tax		5,298,504	3,711,128
Earnings (after tax) per share - Rupees	33	26.49	18.56

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

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025	2024
		(Rupees in '000)	
Profit after tax		5,298,504	3,711,128
Other comprehensive income			
Total items that may be reclassified subsequently to profit and loss account			
Unrealized (loss) / gain on available-for-sale investments during the year - net	9 & 10	(214,400)	2,132,546
Unrealized gain / (loss) on available-for-sale investments during the year - Subsidiary Company - net	8	233,645	(17,721)
Unrealized (loss) / gain on available for sale investment from window takaful operations - Operator's Fund - net		(11,372)	15,187
Total unrealized gain on available-for-sale investments - net		7,873	2,130,012
Effect of translation of foreign branches		1,940	(3,958)
		9,813	2,126,054
Item not to be reclassified to profit and loss account in subsequent year			
Actuarial losses on defined benefit plans - net	18	(101,627)	(84,933)
Other comprehensive (loss) / income		(91,814)	2,041,121
Total comprehensive income for the year		5,206,690	5,752,249

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

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 03 March 2026

UNCONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	Note	2025	2024
		(Rupees in '000)	
Operating cash flows			
a) Underwriting activities			
Insurance premium received		43,463,857	38,901,894
Reinsurance premium paid		(28,623,142)	(24,413,460)
Claims paid		(8,691,633)	(8,195,966)
Reinsurance and other recoveries received		2,659,631	3,073,592
Commission paid		(3,314,291)	(3,303,692)
Commission received		693,814	662,222
Management expenses paid		(3,348,909)	(3,223,335)
Net cash flow generated from underwriting activities		2,839,327	3,501,255
b) Other operating activities			
Income tax paid		(2,868,413)	(2,887,840)
Other operating payments		(780,635)	(461,800)
Other operating receipts		389,567	523,617
Loans advanced		(2,966)	(429)
Loans repayments received		1,697	744
Net cash flow used in other operating activities		(3,260,750)	(2,825,708)
Total cash flow (used in) / generated from all operating activities		(421,423)	675,547
Investment activities			
Profit / return received		1,813,546	2,607,349
Dividend received		1,396,775	1,106,311
Rentals received		132,470	186,588
Payment for investments		(47,715,815)	(21,805,495)
Proceeds from investments		47,506,298	18,864,028
Fixed capital expenditures		(435,884)	(243,417)
Proceeds from sale of property and equipment		179,445	107,697
Total cash flow generated from investing activities		2,876,835	823,061
Financing activities			
Payments against lease liabilities		(61,674)	(58,222)
Dividends paid		(1,952,195)	(1,958,592)
Total cash flow used in financing activities		(2,013,869)	(2,016,814)
Net cash flow generated from / (used in) all activities		441,543	(518,206)
Cash and cash equivalents at the beginning of the year		2,063,199	2,581,405
Cash and cash equivalents at the end of the year	15.4	2,504,742	2,063,199
Reconciliation to the profit and loss account			
Operating cash flows		(421,423)	675,547
Depreciation / amortization expense	5.1 & 5.1.1	(367,807)	(322,415)
Finance cost		(15,993)	(17,985)
Profit on disposal of property and equipment	29	156,180	87,585
Profit on disposal of investments / investments properties		3,218,824	108,550
Rental income	28	138,738	128,901
Dividend Income	27	1,396,775	1,106,311
Other investment income	27	715,719	1,038,517
Gain on remeasurement of investments at fair value through profit and loss	27	25,460	1,241
Profit on deposits	29	243,854	498,433
Other income / (loss)	29	5,765	(1,562)
Change in fair value of investment properties	7	269,247	269,721
Increase / (decrease) in assets other than cash		1,559,492	(971,364)
(Increase) / decrease in liabilities other than borrowings		(2,235,049)	455,147
Profit after tax from conventional insurance operations		4,689,782	3,056,627
Profit from window takaful operations - Operator's Fund		608,722	654,501
Profit after tax		5,298,504	3,711,128

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

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

Karachi 03 March 2026

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to equity holders of the Company							
	Capital reserves					Revenue reserve	Unappropriated profit	Total
	Share capital	Reserve for exceptional losses	Unrealized gain / (loss) on revaluation of available-for-sale investments - net	Exchange translation reserve	Unrealized gain on fair value of investment properties - net	General reserve		
(Rupees in '000)								
Balance as at 01 January 2024	2,000,000	12,902	662,892	195,722	1,802,531	13,000,000	2,733,704	20,407,751
Total comprehensive income for the year ended 31 December 2024								
Profit after tax	-	-	-	-	164,530	-	3,546,598	3,711,128
Other comprehensive income	-	-	2,130,012	(3,958)	-	-	(84,933)	2,041,121
	-	-	2,130,012	(3,958)	164,530	-	3,461,665	5,752,249
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net	-	-	-	-	-	-	9,828	9,828
Transactions with owners recorded directly in equity								
Final dividend for the year 2023 at the rate of Rs. 5.50 (55.00%) per share	-	-	-	-	-	-	(1,100,000)	(1,100,000)
1st Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
2nd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
3rd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
Other transfer within equity								
Transfer to general reserve	-	-	-	-	-	1,000,000	(1,000,000)	-
Balance as at 31 December 2024	2,000,000	12,902	2,792,904	191,764	1,967,061	14,000,000	3,205,197	24,169,828
Balance as at 01 January 2025	2,000,000	12,902	2,792,904	191,764	1,967,061	14,000,000	3,205,197	24,169,828
Total comprehensive income for the year ended 31 December 2025								
Profit after tax	-	-	-	-	164,241	-	5,134,263	5,298,504
Other comprehensive loss	-	-	7,873	1,940	-	-	(101,627)	(91,814)
	-	-	7,873	1,940	164,241	-	5,032,636	5,206,690
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net	-	-	-	-	-	-	13,880	13,880
Transactions with owners recorded directly in equity								
Final dividend for the year 2024 at the rate of Rs. 5.50 (55.00%) per share	-	-	-	-	-	-	(1,100,000)	(1,100,000)
1st Interim dividend paid for the year 2025 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
2nd Interim dividend paid for the year 2025 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
3rd Interim dividend paid for the year 2025 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)
Other transfer within equity								
Transfer to general reserve	-	-	-	-	-	1,000,000	(1,000,000)	-
Balance as at 31 December 2025	2,000,000	12,902	2,800,777	193,704	2,131,302	15,000,000	5,251,713	27,390,398

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

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

EFU General Insurance Limited (the Company) was incorporated as a public limited company on 02 September 1932. The Company is registered under Companies Act, 2017 and is listed on the Pakistan Stock Exchange and is engaged in non-life insurance business comprising of fire and property damage, marine, aviation and transport, motor and miscellaneous.

The Registered Office of the Company is situated in Kamran Centre, 1st Floor 85 East, Jinnah Avenue Blue Area Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Company was granted authorization on 16 April 2015 under Rule 6 of Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and subsequently the Company commenced Window Takaful Operations on 06 May 2015. The Company operates through 30 (2024: 30) branches in Pakistan including a branch in Export Processing Zone (EPZ).

1.1 In 2018, the Company had assessed its control position in relation to its investments in EFU Life Assurance Limited ("EFU Life") after its agreement with some shareholders of EFU Life effective 31 March 2018, accordingly it was concluded that the Company has the ability to control the composition of the Board of Directors of EFU Life, therefore EFU Life has become the subsidiary of the Company from 31 March 2018.

1.2 Pursuant to SECP S.R.O. 311(I)/2025, the Company's WTO is below the 25% threshold; hence, consolidation under IFRS 10 and segment reporting under IFRS 8 are not applicable. In compliance with revised Regulation 6, total assets and liabilities of the PTF with OPF are presented as a single line item, with no residual Company interest in PTF surplus. The change has been applied retrospectively under IAS 8, the detailed disclosure is included in note 3.26.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of, directives and notification issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Takaful Accounting Regulations 2019.

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

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for the available-for-sale investments, held for trading investments, land and buildings, and investment properties that have been measured at fair value. Further lease liabilities and their related right-of-use assets measured at their present values at initial recognition, and the Company's liability under defined benefit plan is determined based on present value of defined benefit obligation less fair value of plan assets.

2.3 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees in thousand, unless otherwise stated.

2.4 Standards, interpretations and amendments effective during the current year

There is a new amendment that is applicable for accounting periods beginning on or after 01 January 2025, that is considered not to have a material impact on the Company's unconsolidated financial statements and hence not disclosed in these unconsolidated financial statements.

Effective date	New amendment to standard
01 January 2025	Lack of Exchangeability – The Effects of Changes in Foreign Exchange Rates (Amendments to IAS 21)

2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2026:

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments:

- Financial Assets with ESG-Linked features:

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

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

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

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

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

The amendments apply for reporting periods beginning on or after 01 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / Derecognition requirements of Financial Assets / Liabilities by Electronic Payments:

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

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

The amendments apply for reporting periods beginning on or after 01 January 2026. Earlier application is permitted.

- Other related amendments:

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

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

Disclosures on investments in equity instruments:

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

The amendments apply for reporting periods beginning on or after 01 January 2026. Earlier application is permitted.

Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

- Adoption of IFRS 18 and IFRS 19

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444 (I) / 2025 dated December 12, 2025 has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633 (I) / 2014, shall be replaced with "IFRS-18, Presentation and Disclosure in Financial Statements" and "IFRS-19, Subsidiaries without Public Accountability: Disclosures", and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after 01 January 2027:

Provided that only unlisted subsidiaries without public accountability (i.e. unlisted companies other than those mentioned in clauses 1(b)(ii), 1(b)(ia) and 1(b)(iii) of the Third Schedule to the Act) may follow “IFRS-19, “Subsidiaries without Public Accountability: Disclosures” in preparation of their financial statements.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

2.5.1 Temporary exemption from IFRS 17 and IFRS 9

Pursuant to the requirements of Securities and Exchange Commission of Pakistan S.R.O. 1336 (I) / 2025 dated 23 July 2025 IFRS 17 “Insurance Contracts”, is applicable to the companies engaged in insurance/takaful and reinsurance/ retakaful business from financial years commencing on or after 01 January 2027 and SECP has directed that the applicability period of optional temporary exemption from applying IFRS 9 – Financial Instrument as given in para 20A of IFRS 4 – Insurance Contracts is extended for annual periods beginning before 01 January 2027, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

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

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase approach towards implementation of IFRS 17 - Insurance Contracts. The first three phases now stand completed and Phase 4 parallel run and implementation has commenced and is currently under progress. On 23 December 2025 via letter no. ID/ MDPRD/IFRS-17/2025/4228 SECP further extended the deadline for submission of the audited long form report to 31 May 2026.

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

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding, excluding any financial asset that meets the definition of fair value through profit and loss in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis; and
- b) all other financial assets.

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

2025			
Failed the SPPI test		Passed the SPPI test	
Fair value	Change in unrealized gains / (losses) during the year	Fair value	Change in unrealized gains / (losses) during the year
(Rupees in '000)			
Cash at bank*	-	2,046,519	-
Investment in subsidiary	7,612,613	383,024	-
Investment in equity securities	17,351,863	(168,736)	-
Investment in debt securities	-	8,976,422	(158,837)
Investment in term deposits*	-	719,916	-
Accrued investment income*	-	459,918	-
Loans and other receivables*	954,211	3,807	-
	25,918,687	12,206,582	(158,837)

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

Fair value of financial assets as at 31 December 2024 and the change in the fair values during the year ended 31 December 2024.

2024			
Failed the SPPI test		Passed the SPPI test	
Fair value	Change in unrealized gains / (losses) during the year	Fair value	Change in unrealized gains / (losses) during the year
(Rupees in '000)			
Cash at bank*	-	1,673,604	-
Investment in subsidiary	8,120,149	-	-
Investment in equity securities	8,603,348	2,327,121	-
Investment in debt securities	-	14,483,919	1,171,658
Investment in term deposits*	-	665,734	-
Accrued investment income*	-	567,764	-
Loans and other receivables*	268,550	2,538	-
	16,992,047	17,393,559	1,171,658

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and method of computation adopted in preparation of unconsolidated financial statements are consistent to all years presented in these unconsolidated financial statements except balances of Window Takaful Operations (OPF and PTF) in unconsolidated statement of financial position as described in note 3.26.

3.1 Property and equipment

Land is measured at cost at the time of initial recognition and is subsequently carried at revalued amount. Building is initially measured at cost and upon revaluation, is carried at revalued amount less accumulated depreciation and accumulated impairment losses, if any; all other property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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

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

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to the profit and loss account as and when incurred

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. 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 account in the year the asset is derecognized. Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each reporting date.

3.2 Lease liabilities and right-of-use assets

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

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

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

i) Right-of-use assets

The right-of-use assets is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives receivable.

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

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

ii) Lease liability

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

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

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

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

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

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

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right-to-use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

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

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

3.3 Intangible assets

An intangible asset is recognized 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 intangibles that will have probable economic benefits exceeding costs beyond one year, are recognized as an intangible asset.

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

3.4 Investment properties

Investment property is initially measured at cost, including expenditure incurred that is directly attributable to the acquisition of the investment property and subsequently at fair value with any change therein recognized in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. Rental income from investment property is recognized as other income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

The fair value of investment properties are determined by external, independent property valuer having appropriate recognized professional qualifications.

3.5 Investments

3.5.1 Recognition and classification

Investments are initially recognized at fair value plus directly attributable transaction costs, except for investments held for trading in which transaction costs is charged to profit and loss account. For investments traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each reporting date. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Company commits to purchase or sell investments.

The classification depends on the purpose for which the financial asset is acquired, the Company classified investments as follows:

- In subsidiary - available-for-sale
- In equity securities - available-for-sale
- In equity securities - held-for-trading
- In debt securities - available-for-sale
- In term deposits - held-to-maturity

3.5.2 Measurement

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

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

Quoted

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

Unquoted

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

Impairment against financial assets

When the decline in value of an equity security is significant or prolonged, the decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available-for-sale equity securities, the cumulative loss previously recognized in the statement of comprehensive income is removed therefrom and included in the profit and loss account. Impairment losses recognized in the profit and loss account on equity securities are only reversed when the equity securities are derecognized.

3.5.2.2 Held-to-maturity

At the time of acquisition, investments with fixed determinable payments and 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 amortized cost using the effective yield, less provision for impairment losses, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortized over the term of investment using the effective yield method.

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

3.5.2.3 Held-for-trading

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or are part of a portfolio for which there is a recent actual pattern of short-term profit taking. The Company elects to measure certain financial assets and liabilities at their fair value, with any changes in fair value recognized directly in the profit or loss account during each reporting period, indicating that the Company intends to actively trade these instruments.

Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in the profit and loss account for the period to which it relates.

3.5.3 Fair value measurements

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

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

3.5.4 Offsetting of financial assets and financial liabilities

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

3.6 Insurance contracts

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

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

The Company underwrites non-life insurance contracts to multiple types of clients with businesses in engineering, automobiles, cement, power, textiles, paper, agriculture, services, trading sector, and individuals as well. The tenure of these insurance contracts depends upon terms of the policies written and vary accordingly.

Contracts may be concluded for a fixed term of one year, for less than one year, and in some cases for more than one year. However, most of the contracts are for twelve months duration. Insurance contracts entered into by the Company under which the contract holder is another insurer (inwards reinsurance) of a facultative nature are included within the individual category of insurance contracts, other than those, which fall under Treaty. The insurance risk involved in these contracts is similar to the contracts undertaken by the Company as insurer.

The Company's insurance contracts are classified into the following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed and are:

Fire and property damage

Fire and property damage insurance contracts mainly compensate the Company's customers for damage suffered due to fire, earthquake, riots / strike, explosion, atmospheric disturbance, flood, electric fluctuation and impact, burglary, loss of profit followed by the incident of fire, contractor's all risk, erection all risk, machinery breakdown and boiler damage, etc. According to the terms and conditions of the policy, to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

Marine, aviation, and transport

Marine insurance 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.

Motor

Motor insurance contracts provide indemnity for accidental damage to or total loss of insured vehicle including loss of or damage to third party and other comprehensive car coverage, according to terms and conditions of the policy (policy is made under the requirements of the Motor Vehicle Ordinance, 1965).

Miscellaneous

All other types of insurance contracts are classified in miscellaneous category like cover against burglary, loss of cash in safe, cash in transit, cash on counter, fidelity guarantee, personal accident, workmen compensation, travel loss, crop damage, mobilization and performance bond, public liabilities, livestock loss, bankers and other financial institutions packages, product liabilities, professional indemnity etc, according to terms and conditions of the policy.

In addition to direct insurance, the Company also participates in risks under coinsurance contracts from other companies. The nature of the risks undertaken under such arrangement are consistent with the risks in each class of business as stated above in direct and other lead insurance contracts. The accounting policies of the defined insurance contracts have been disclosed in their respective notes to these unconsolidated financial statements.

3.7 Commission

3.7.1 Deferred commission expense

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

3.7.2 Commission income

Commission from reinsurers (apart from recoveries) is deferred and recognized 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 recognized when the Company's right to receive the same is established.

3.8 Unearned premium reserve

The unearned premium reserve is the unexpired portion of the premium including administrative surcharge, which relates to business in force at the financial statement date. Unearned premiums have been calculated by applying twenty-fourths' method as specified in the Insurance accounting regulations, 2017.

3.9 Insurance receivables and payables

Receivables (including premium due but unpaid) under insurance contracts are recognized when due, at the fair value of the consideration receivable. If there is objective evidence that the receivable is impaired, the Company reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss. Premium received in advance is recognized as liability till the time of issuance of insurance contract there against.

An assessment is made at each reporting date to determine whether there is an objective evidence from external as well as internal sources of information that a financial asset or group of assets may be impaired i.e., recoverable amount at the reporting date is less than the earning amount of the asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized in the profit and loss account, for the difference between the recoverable amount and the carrying amount. Provision for impairment is reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in the provisions is recognized as income or expense, in the profit and loss account.

3.10 Premium deficiency reserve (liability adequacy test)

At each financial statement date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium liability for that class. It is performed by comparing the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after financial statement date in respect of policies in force at financial statement date with the carrying amount of unearned premium liability. Any deficiency is recognized by establishing a provision (premium deficiency reserve) to meet the deficit.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses, which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable.

The movement in the premium deficiency reserve is recognized as an expense or income in the profit and loss account for the year.

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

	2025	2024
-Fire and property damage	38%	42%
-Marine, aviation and transport	38%	39%
-Motor	47%	47%
-Miscellaneous	47%	49%

3.11 Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company cedes insurance risks assumed during normal course of its business and according to which the Company is compensated for losses on insurance contracts issued by the Company are classified as reinsurance contracts held. These reinsurance contracts include both facultative and treaty arrangement contracts and are classified in same categories of insurance contracts for the purpose of these financial statements. The Company recognizes the entitled benefits under the contracts as various reinsurance assets and liabilities.

Reinsurance premium is recognized as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognized in accordance with the policy of recognizing premium revenue.

Reinsurance assets represent balances due from reinsurance companies, primarily being reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognized at the same time when reinsurance premiums are recognized as an expense.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired. Furthermore, reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not off set against income or expenses from related insurance assets.

An impairment review of reinsurance assets is performed at each financial statement date. If there is objective evidence that the asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

Prepayment (i.e. premium ceded to reinsurers) is recognized as follows:

- for reinsurance contracts operating on a proportional basis, a liability to the reinsurer is recognized on attachment of the underlying policies reinsured, while an asset is recognized for the unexpired period of reinsurance coverage at the reporting date as prepaid reinsurance premium ceded and the same is expensed over the period of underlying policies.
- for reinsurance contracts operating on a non-proportional basis, and for which the term of the reinsurance contract is not directly referable to the term of any underlying policy or policies, on inception of the reinsurance contract.

3.12 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 key management 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 segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017 as the primary reporting format.

The Company has four primary business segments for reporting purposes namely, fire and property damage, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in note no. 3.6.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities, which cannot be allocated to a particular segment on a reasonable basis, are reported as unallocated corporate assets and liabilities. Further, the management expenses were allocated to each segments on the basis disclosed in note 3.20

3.13 Cash and cash equivalents

Cash and cash equivalents includes policy and revenue stamps, bond papers, cash at bank, and term deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

3.14 Revenue recognition

3.14.1 Premium

For all the insurance contracts, premiums / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognized as written from the date of attachment of the risk to the policy / cover note and over the period of the insurance from inception to the expiry of policy. Where premiums for a policy are payable in instalments, full premium for the duration of the policy is recognized as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied.

Revenue from premium is determined after taking into account the unearned portion of premium. The unearned portion of premium income is recognized as a liability (refer note 3.8).

Reinsurance premium is recognized as an expense after taking into account the proportion of deferred reinsurance premium expense which is calculated using twenty-fourths' method. The deferred portion of premium expense is recognized as a prepayment.

3.14.2 Commission income

The revenue recognition policy for commission income is given under note 3.7.2.

3.14.3 Rental Income

Rental income from investment property is recognized as revenue on a straight line basis over the non-cancellable period of the lease, unless another systematic basis is more representative of the time pattern in which use / benefit derived from the investment property is diminished.

3.14.4 Investment income

- Unrealized gain or loss on revaluation of investments classified at held for trading and loss is included in the profit and loss account in the period to which it relates.
- Gain or loss on sale of investments is accounted for in the profit and loss account in the period to which it relates.
- Interest / mark-up on bank balances, term deposits and government securities is recognized on an accrual basis using the effective interest method

3.14.5 Dividend income

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

3.15 Claims

Claims are charged to profit and loss account as incurred based on estimated liability for compensation owed under the insurance contracts. It includes claims handling costs that are directly related to the processing and settlement of claims (including surveyor cost), a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

3.16 Provision (liability) for outstanding claims including Incurred But Not Reported (IBNR) claims

3.16.1 Outstanding claims

This represents 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 provision (liability) for outstanding claims is recognized in respect of all claims incurred up to the financial statement date (claims intimated or assessed before the end of the reporting period), which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs. Where applicable, deductions are made for salvage and their recoveries.

Claims recoveries receivable from reinsurers and other recoveries receivable is recognized at the same time as the claims which give rise to the right to the recovery are recognized.

3.16.2 Incurred but not reported (IBNR) claims

This represents losses that have incurred or are in the occurrence period at the end of the reporting year and have not been intimated to the Company by the end of the reporting year.

SECP through its circular 9 of 2016 dated March 09, 2016 issued 'SECP guidelines for estimation of incurred but not reported (IBNR) claims reserve 2016' for non-life insurance Companies and required to comply with all provisions of these guidelines with effect from July 01, 2016.

The provision for IBNR claims is made at the financial statement date. The Company takes actuarial advice for the determination of IBNR claims. IBNR claims have been estimated using Chain Ladder (CL) methodology or any other alternate method as allowed under the provisions of the Guidelines. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF), which represents the extent of future development of claims to reach their ultimate level. The methods used, and the estimates made, are reviewed regularly. The actuarial valuation is carried out by an independent firm of actuaries for determination of IBNR for each class of business.

3.17 Taxation

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

3.17.1 Current tax

Provision for current taxation is based on taxable income determined in accordance with the prevailing law for taxation of income and is calculated using enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for the current taxation also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalized during the year or required by any other reason.

3.17.2 Deferred tax

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

3.18 Employees' retirement benefits

3.18.1 Defined benefit plans

The Company operates the following employee defined benefit plans:

- Funded gratuity scheme
The Company operates an approved gratuity fund for all employees who complete qualifying period of service.
- Funded pension scheme
The Company operates an approved pension fund for its entitled employees.

These funds are administered by trustees. The pension plan is a career average salary plan and the gratuity plan is a final basic salary plan. The actuarial valuation of both the plans is carried out on a yearly basis using the Projected Unit Credit Method and contributions to the plans are made accordingly.

The liability / asset recognized in the statement of financial position 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 the statement of comprehensive income. The Company makes contributions to the plan on the basis of advice of its actuary.

Actuarial gains and losses are recognized in other comprehensive income in the year in which they arise.

Past-service costs are recognized immediately in profit and loss account, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss account.

3.18.2 Defined contribution plan

The Company contributes to a provident fund scheme, which covers all permanent employees. Both the Company and the employees make equal contributions to the fund at the rate of 8.33% of basic salary.

3.19 Dividend distribution and reserve appropriation

Dividend to shareholders is recognized as liability in the period in which it is approved. Similarly, reserve appropriation is recognized when approved.

3.20 Expenses of management

All expenses of management have been allocated between business of Company and Window Takaful Operations – Operators' Fund to the various revenue accounts as deemed equitable by management based on the detailed exercise carried out by management on an annual basis.

Expenses that are not directly attributable to the underwriting business are charged under other expenses.

3.21 Impairment of non financial assets

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

A previously recognized impairment loss is reversed only if there has been change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

3.22 Compensated absences

The liability towards compensated absences accumulated by the eligible employees is provided in the period in which they are earned.

3.23 Foreign currencies

3.23.1 Foreign currency translations

Transactions in foreign currencies are translated to rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the reporting date.

3.23.2 Foreign currency balances

Monetary assets and liabilities denominated in foreign currency are translated into functional currency at the exchange rate at the reporting date. Insurance and reinsurance contracts that generate cashflows in a foreign currency are treated as monetary items.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost is translated at the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognized in profit and loss. However, foreign currency differences arising from the translation of the following items are recognized in other comprehensive income:

3.24 Earning per share

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

3.25 Share Capital

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

3.26 Change in accounting policy - Window Takaful Operations (OPF and PTF)

The SECP, through S.R.O. 311(I)/2025 dated 03 March 2025, amended the General Takaful Accounting Regulations, 2019. The amendments require insurers whose Window Takaful Operations constitute 25% or more of total operations (based on gross contribution) to consolidate takaful and conventional results in the financial statements, with detailed notes and segment disclosures under IFRS 8.

The Company assessed its operations and concluded that its Window Takaful Operations are below the 25% threshold; therefore, these requirements are not applicable.

In line with the revised Regulation 6, all insurance Companies are now required to present both the Operator’s Fund (OPF) and the Participants’ Takaful Fund (PTF) in their statement of financial position. Previously, only the OPF was included as part of takaful operations. Under the revised requirement, the total assets and total liabilities of the Window Takaful Operations (OPF and PTF) are presented as a single line item in the statement of financial position. As the Company has no residual interest in the PTF, any surplus in the fund remains attributable solely to the participants.

This change in accounting policy has been applied retrospectively in accordance with IAS 8, and the comparative figures as at 01 January 2025 have been restated. The impact of restatement is summarized below:

Statement of Financial Position	As at 31 December 2024		
	As previously reported	Adjustment	Restated
	----- (Rupees in '000) -----		
Assets			
Total assets of window takaful operations	2,203,554	5,968,228	8,171,782
Liabilities			
Total liabilities and fund of window takaful operations	779,288	5,968,228	6,747,516

Statement of Financial Position	As at 01 January 2024		
	As previously reported	Adjustment	Restated
	----- (Rupees in '000) -----		
Assets			
Total assets of window takaful operations	1,721,427	5,064,261	6,785,688
Liabilities			
Total liabilities and fund of window takaful operations	711,405	5,064,261	5,775,666

There is no impact of this change on unconsolidated profit and loss account, unconsolidated statement of comprehensive Income, unconsolidated cash flow statement and unconsolidated statement of changes in equity.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates, and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the revision and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the unconsolidated financial statements are:

	Note	2025	2024
- Property and equipment	3.1		
- Lease liabilities and right-of-use assets	3.2		
- Investment properties	3.4		
- Insurance receivables and payables	3.9		
- Premium deficiency reserve (liability adequacy test)	3.10		
- Provision (liability) for outstanding claims including Incurred But Not Reported (IBNR) claims	3.16		
- Taxation	3.17		
- Employees’ retirement benefits	3.18		
- Contingencies	22		
	Note	2025	2024
		----- (Rupees in '000) -----	

5 PROPERTY AND EQUIPMENT

Operating assets	5.1	3,813,620	3,561,267
Right-of-use assets	5.1.1	82,687	108,505
Work in progress	5.2	18,417	-
		3,914,724	3,669,772

5.1 Operating assets and right-of-use assets

	2025											Rate %
	Cost / revaluation				Accumulated depreciation					Written down value		
	As at 01 January	Additions	Disposals	Revaluation	As at 31 December	As at 01 January	Depreciation for the year	Disposals	Revaluation	As at 31 December	As at 31 December	
	(Rupees in '000)											
Land*	1,736,917	-	-	46,944	1,783,861	-	-	-	-	-	1,783,861	0
Buildings*	1,632,937	-	-	137,494	1,770,431	525,221	79,001	-	-	604,222	1,166,209	5
Leasehold improvements	41,603	21,684	(181)	-	63,106	29,145	4,654	(181)	-	33,618	29,488	lease term
Furniture and fixtures	450,345	7,024	(6,788)	-	450,581	352,313	21,285	(6,710)	-	366,888	83,693	10
Office equipment	360,163	26,214	(4,174)	-	382,203	273,471	16,387	(3,257)	-	286,601	95,602	10
Computer equipment	169,026	73,322	(10,057)	-	232,291	119,010	35,179	(9,183)	-	145,006	87,285	30
Vehicles	1,105,827	283,401	(190,416)	-	1,198,812	636,391	163,959	(169,020)	-	631,330	567,482	20
	5,496,818	411,645	(211,616)	184,438	5,881,285	1,935,551	320,465	(188,351)	-	2,067,665	3,813,620	
	2024											Rate %
	Cost / revaluation				Accumulated depreciation					Written down value		
	As at 01 January	Additions	(Disposals) / adjustment	Revaluation	As at 31 December	As at 01 January	Depreciation for the year	(Disposals) / adjustment	Revaluation	As at 31 December	As at 31 December	
	(Rupees in '000)											
Land*	1,643,030	-	-	93,887	1,736,917	-	-	-	-	-	1,736,917	0
Buildings*	1,492,985	7,631	(500)	132,821	1,632,937	453,068	72,653	(500)	-	525,221	1,107,716	5
Leasehold improvements	38,627	6,814	(3,838)	-	41,603	28,239	4,660	(3,754)	-	29,145	12,458	lease term
Furniture and fixtures	455,226	8,011	(22,892)	-	450,345	351,146	23,915	(22,748)	-	352,313	98,032	10
Office equipment	368,370	4,551	(12,758)	-	360,163	269,665	16,534	(12,728)	-	273,471	86,692	10
Computer equipment	158,553	34,659	(24,186)	-	169,026	119,379	23,789	(24,158)	-	119,010	50,016	30
Vehicles	1,054,920	181,751	(130,844)	-	1,105,827	612,633	134,776	(111,018)	-	636,391	469,436	20
	5,221,711	243,417	(195,018)	226,708	5,496,818	1,834,130	276,327	(174,906)	-	1,935,551	3,561,267	

*Are carried at Revaluation model

5.1.1 Right-of-use assets - Premises

	Cost				Accumulated depreciation			Written down value		Rate %
	As at 01 January	Additions	(Disposals) / adjustments	As at 31 December	As at 01 January	Depreciation for the year	(Disposals) / adjustments	As at 31 December	As at 31 December	
	(Rupees in '000)									
31 December 2025	192,543	23,003	(20,088)	195,458	84,038	47,342	(18,609)	112,771	82,687	lease term
31 December 2024	200,274	57,564	(65,295)	192,543	102,037	46,088	(64,087)	84,038	108,505	lease term

5.1.2 Details of tangible assets disposed off during the year are as follows:

Category of Assets	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
(Rupees in '000)							
Leasehold improvements	181	181	-	81	81	Negotiation	Various
Furniture and fixtures							
Disposals having book value exceeding Rs. 50,000 individually	6,788	6,710	78	494	416	Negotiation	Various
Office equipment							
Disposals having book value exceeding Rs. 50,000 individually	285	185	100	5	(95)	Negotiation	Muhammad Taufiq - Employee
Disposals having book value not exceeding Rs. 50,000 individually	3,889	3,072	817	277	(540)	Negotiation	Various
Computer equipment							
Disposals having book value exceeding Rs. 50,000 individually	466	175	291	300	9	Negotiation	Altaf Gokal - Ex-employee
	198	25	173	100	(73)	Negotiation	Fatima Bano - Ex-employee
	327	172	155	40	(115)	Negotiation	Abdul Qadir - Ex-employee
	67	10	57	30	(27)	Negotiation	Fast Link Technologies
	251	195	56	25	(31)	Negotiation	Imran Ahmed - Employee
	304	220	84	20	(64)	Negotiation	Sohail Nazeer - Employee
Disposals having book value not exceeding Rs. 50,000 individually	8,444	8,386	58	789	731	Negotiation	Various
	10,057	9,183	874	1,304	430		

Category of Assets	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
(Rupees in '000)							
Vehicles	5,571	3,250	2,321	6,000	3,679	Negotiation	Khurram Naseem - Ex-employee
Disposals having book value exceeding Rs. 50,000 individually	2,313	1,542	771	2,200	1,429	Negotiation	Mansoor Ahmed - Employee
	3,247	1,515	1,732	3,000	1,268	Negotiation	Abdul Rahim - Employee
	3,471	2,893	578	3,500	2,922	Negotiation	Mannan Mehboob - Employee
	4,263	3,410	853	4,700	3,847	Negotiation	Saniya Shahjhan - Wife of employee
	3,006	1,904	1,102	4,000	2,898	Negotiation	Irfan Raja Jagrani - Ex-employee
	8,128	5,826	2,302	6,700	4,398	Negotiation	Jahangir Anwar Shaeikh - Employee
	2,979	2,036	943	1,800	857	Negotiation	Muhammad Adnan - Employee
	2,959	1,973	986	2,400	1,414	Negotiation	Abdul Qadir Memon - Ex-employee
	2,275	1,289	986	3,100	2,114	Negotiation	Jubilee General Insurance
	2,641	968	1,673	1,200	(473)	Negotiation	Rizwan Jalees - Ex-employee
	9,209	2,916	6,293	5,000	(1,293)	Negotiation	Abdul Hayee - Employee
	1,600	880	720	1,000	280	Negotiation	S. Asim Yar - Employee
	221	154	67	165	98	Negotiation	Irfan Irtiza Khan - Employee
	103	50	53	10	(43)	Negotiation	Muhammad Iqbal - Employee
Disposals having book value not exceeding Rs. 50,000 individually	138,430	138,414	16	132,509	132,493	Negotiation	Various
	190,416	169,020	21,396	177,284	155,888		
	211,616	188,351	23,265	179,445	156,180		

5.1.3 Land and buildings are carried at revalued amount. The latest revaluation was carried out by independent valuer as on 31 December 2025, which resulted in surplus of Rs. 184 million (2024: Rs. 227 million). Had there been no revaluation, the carrying value of the assets would have been as follows:

	Note	2025	2024
	(Rupees in '000)		
Land		81,664	81,664
Buildings		626,807	683,055
		708,471	764,719

5.2 Capital work in progress

Opening		-	-
Additions	5.2.1	18,417	-
Transfer to assets		-	-
		18,417	-

5.2.1 This represents costs incurred in respect of fire fighting equipment under installation at the reporting date at EFU House, Karachi. These assets will be transferred to property and equipment upon completion and commencement of use.

5.3 Surplus on revaluation on land and buildings represents net cumulative increase in the carrying amount as a result of revaluation carried at revalued amount.

	Note	2025	2024
		----- (Rupees in '000) -----	
Revaluation surplus as at 01 January		2,078,710	1,868,114
Deferred tax on opening value	19	(810,696)	(728,564)
Revaluation surplus as at 01 January - net		1,268,014	1,139,550
Surplus arising on revaluation			
Land		46,944	93,887
Buildings		137,494	132,821
Deferred tax liability on revaluation surplus for the year	19.1	(71,931)	(88,416)
		112,507	138,292
Incremental depreciation charged on revaluation surplus		(22,754)	(16,112)
Deferred tax on incremental depreciation	19.1	8,874	6,284
Net amount transferred to unappropriated profit on account of incremental depreciation		(13,880)	(9,828)
		1,366,641	1,268,014

5.3.1 Restriction on distribution

The surplus on revaluation of property and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

5.3.2 Measuring property at fair value

The fair value of owned properties is determined at the end of each year by independent suitably qualified valuer. The fair valuation of the owned properties as at 31 December 2025 and 31 December 2024 were performed by Messrs. Iqbal A. Nanjee & Co. (Pvt) Ltd.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

5.3.3 Fair value hierarchy

The fair value hierarchy as at the end of the reporting period was Level 2.

5.3.4 Forced sale value

Forced sale value of the property is assessed at Rs. 2,360 million (2024 : Rs. 2,275 million).

5.3.5 The details of land and buildings are as follows:

- i) The owned property comprises of land and building situated at Plot No. 16 / 6 Ghulam Hussain Kassim Quarter Main M.A Jinnah Road Karachi, having a total covered area of 42,249.33 sq. ft.
- ii) The owned property comprises of building situated at Plot No.C-1, Sector B-III, Karachi Export Processing Zone Authority (Landhi Industrial Area Extension) Mehran Highway Landhi Karachi, having a total covered area of 6,615 sq. ft.

6 INTANGIBLE ASSETS

Cost and accumulated amortization in respect of fully amortized intangible assets is still in use at the end of the year amounts to Rs. 59.57 million (2024: Rs. 59.57 million).

7 INVESTMENT PROPERTIES

	2025	2024
	----- (Rupees in '000) -----	
Balance at 01 January	3,462,112	3,191,970
Additions and capital improvements	5,822	421
Unrealized gain on remeasurement of fair value	269,247	269,721
Balance at 31 December	3,737,181	3,462,112

	2025		
	Land	Buildings	Total
	----- (Rupees in '000) -----		
Balance at 01 January	2,408,220	1,053,892	3,462,112
Additions and capital improvements	-	5,822	5,822
Add: Unrealized gain on remeasurement of fair value	256,250	12,997	269,247
Balance at 31 December	2,664,470	1,072,711	3,737,181

The investment properties comprises of freehold office buildings which are not occupied by the Company. These are held to earn rental income and for long term appreciation in the value

7.1 Measurement of investment properties at fair value

The fair value of investment properties are is determined at the end of each year by independent suitably qualified valuer. The fair value of the investment properties as at 31 December 2025 and 31 December 2024 were performed by Messrs. Hamid Mukhtar & Co. (Pvt) Ltd and Iqbal A. Nanjee & Co. (Pvt) Ltd.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the investment properties, the highest and best use of the properties is their current use.

7.2 Fair value hierarchy

The fair value hierarchy as at the end of the reporting period was Level 2.

7.3 Forced sale value

Forced sale value of the investment property is assessed at Rs. 3,090 million (2024: Rs. 2,770 million).

7.4 The details of investment properties are as follows:

- i) This investment property comprises of land and building situated at Plot No. 6-D, Main Gulberg, Jail Road, Lahore, having a total covered area of 188,194.98 sq ft. (valued by Hamid Mukhtar & Co. (Pvt) Ltd).

- ii) The investment property comprises of leasehold land situated at Plot No.36-A, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, having a total covered area of 20,340 sq. ft. (valued by Iqbal A. Nanjee & Co. (Pvt) Ltd.).
- iii) This investment property comprises of land situated in Deh Halkani, Tapo Manghopir, Manghopir Road, Taluka District, Karachi having a total covered area of 740,520 sq ft. The fair value of the land carried at cost amounting to Rs. 1.47 million cannot be reliably measured due to an ongoing legal dispute between the Company and the Karachi Water and Sewerage Board for the possession of the said land (no valuation has been carried out due to the pending legal dispute).

7.5 Rental income is recognized on a straight line basis over the non-cancellable lease term. Non-cancellable lease term includes only the period in which both parties do not have the right to cancel / terminate the agreement. Due to the fact that it is more likely that the tenants may substitute their business place from the Company's managed premises to other premises, the management has recognized rental considering the non-cancellable period of six to twelve months. Rental income and related expenses are disclosed in note 28 to these unconsolidated financial statements.

8	INVESTMENT IN SUBSIDIARY	2025			2024		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		(Rupees in '000)					
	Listed shares	13,725,734	(6,496,145)	7,229,589	13,682,824	(5,562,675)	8,120,149
	Surplus on revaluation	-	-	383,024	-	-	-
		<u>13,725,734</u>	<u>(6,496,145)</u>	<u>7,612,613</u>	<u>13,682,824</u>	<u>(5,562,675)</u>	<u>8,120,149</u>

The Company holds 47,878,071 number of shares i.e. 45.60%, (31 December 2024: 47,578,071 i.e. 45.31%) of EFU Life Assurance Limited.

Name	Year	Country of incorporation	Assets	Liabilities	Equity	Revenues	Profit	% Interest held
(Rupees in million)								
EFU Life	2025	Pakistan	<u>298,012</u>	<u>287,893</u>	<u>10,119</u>	<u>52,623</u>	<u>2,442</u>	<u>45.60</u>
EFU Life	2024	Pakistan	<u>259,437</u>	<u>250,247</u>	<u>9,190</u>	<u>39,517</u>	<u>2,987</u>	<u>45.31</u>

8.1 The book value of the investment in subsidiary is Rs. 7,613 million (2024: Rs.8,120 million). Investment in subsidiary is carried at market value and the difference between the cost and market value is recognized as impairment.

8.2 The charge for impairment in the current year is Rs. 933 million (2024: Rs. 1,034 million) up to the second quarter. Subsequently, improved market performance resulted in an unrealized gain of Rs. 234 million - net, recognized in other comprehensive income.

9 INVESTMENT IN EQUITY SECURITIES

The Company has not accounted for investment in related parties as associates under IAS 28 "Investment in Associates and Joint Ventures", as the management has concluded that the Company does not have significant influence in these companies.

	Note	2025			2024		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
(Rupees in '000)							
Available-for-sale							
Related Party							
Listed shares	9.1	473,145	(207,430)	265,715	461,835	(202,012)	259,823
Others							
Listed shares		9,627,068	(202,016)	9,425,052	3,850,795	(400,716)	3,450,079
Unlisted shares		15,216	(15,216)	-	15,216	(15,216)	-
		9,642,284	(217,232)	9,425,052	3,866,011	(415,932)	3,450,079
Surplus on revaluation*		-	-	3,699,624	-	-	3,893,820
		10,115,429	(424,662)	13,390,391	4,327,846	(617,944)	7,603,722
Held-for-trading							
Others							
Listed shares		3,934,771	-	3,934,771	998,385	-	998,385
Surplus on revaluation		-	-	26,701	-	-	1,241
		3,934,771	-	3,961,472	998,385	-	999,626
		14,050,200	(424,662)	17,351,863	5,326,231	(617,944)	8,603,348

* Unrealized loss on revaluation, net of tax, amounts to Rs. 118 million as at 31 December 2025 (2024: gain of Rs. 1,419 million).

Reconciliation of provision for impairment	2025	2024
	(Rupees in '000)	(Rupees in '000)
Balance at the beginning of the year	617,944	596,223
(Reversal) / charge for impairment on available-for-sale investments	(193,282)	21,721
Balance at the end of the year	<u>424,662</u>	<u>617,944</u>

9.1 Listed equities include investment in Jahangir Siddiqui and Company Limited (Associated Company) representing 0.215% of the issued capital of the Associated Company.

10 INVESTMENT IN DEBT SECURITIES - Available-for-sale

	Note	2025			2024		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		(Rupees in '000)					
Government securities							
Pakistan investment bonds		8,309,109	-	8,309,109	8,968,860	-	8,968,860
Ijara sukuks		-	-	-	2,848,679	-	2,848,679
Treasury bills		-	-	-	1,840,230	-	1,840,230
		8,309,109	-	8,309,109	13,657,769	-	13,657,769
Term Finance Certificates							
Agritech Ltd. - 3rd Issue (B)	10.1 & 10.2	-	-	-	5,665	(5,665)	-
Agritech Ltd. - 3rd Issue (A)	10.1 & 10.3	-	-	-	34,972	(34,972)	-
Soneri Bank Limited	10.4	100,000	-	100,000	100,000	-	100,000
Habib Bank Limited	10.5	100,000	-	100,000	100,000	-	100,000
		200,000	-	200,000	240,637	(40,637)	200,000
		200,000	-	200,000	240,637	(40,637)	200,000
Corporate Sukuks							
Dubai Islamic Bank Limited - Tier I	10.6	80,000	-	80,000	80,000	-	80,000
Dubai Islamic Bank Limited - Tier II	10.7	22,000	-	22,000	22,000	-	22,000
		102,000	-	102,000	102,000	-	102,000
Preference share - non convertible							
Agritech Limited	10.1	40,637	(40,637)	-	-	-	-
Surplus on revaluation*		-	-	365,313	-	-	524,150
		8,651,746	(40,637)	8,976,422	14,000,406	(40,637)	14,483,919

* Unrealized loss on revaluation - net, amounts to Rs. 96 million as at 31 December 2025 (2024: gain of Rs. 714 million).

10.1 During the year, Agritech Limited has issued and transferred non-convertible preference shares against term finance certificates (TFCs) previously held by the Company. Therefore, the Company has derecognized fully impaired term finance certificates and recognize preference shares (without considering the revised amount) thereagainst along with the respective provision held against the TFCs.

Name of Security	2025				
	Maturity year	Effective yield (%)	Profit payment	Face value	Fair value
	----- (Rupees in '000) -----				
Government securities					
3 Years Pakistan investment bonds*	2026	16.41 to 16.50	Half Yearly	944,800	952,061
3 Years Pakistan investment bonds*	2027	14.70 to 14.90	Half Yearly	7,261,000	7,529,709
10 Years Pakistan investment bonds*	2028	13.35	Half Yearly	200,000	192,476
				A	8,674,246
Term Finance Certificates (TFCs) - quoted					
Soneri Bank Limited (Others)	2026	13.16	Half yearly	100,000	100,000
Habib Bank Limited (Others)	Perpetual	12.23	Quarterly	100,000	100,000
				B	200,000
Corporate Sukuks - quoted					
Dubai Islamic Bank Limited - Tier I	Perpetual	12.82	Monthly	80,000	80,000
Dubai Islamic Bank Limited - Tier II	2032	12.08	Half yearly	22,000	22,176
				C	102,176
				D = A + B + C	8,976,422

Name of Security	2024				
	Maturity year	Effective yield (%)	Profit payment	Face value	Fair value
	----- (Rupees in '000) -----				
Government securities					
3 Years Pakistan investment bonds*	2026	16.41 to 16.50	Half yearly	944,800	942,278
3 Years Pakistan investment bonds*	2027	14.70 to 14.90	Half yearly	8,018,400	8,261,486
12 months Treasury bills*	2025	17.12	On maturity	2,010,000	1,877,943
5 Years GOP ijara sukuks*	2027	13.41	Half yearly	2,832,500	2,920,364
10 Years Pakistan investment bonds*	2028	13.35	Half yearly	200,000	179,804
				A	14,181,875
Term Finance Certificates (TFCs) / Sukuks - quoted					
Agritech Limited - 3rd Issue (B)	2017	11.00	Half yearly	5,665	-
Agritech Limited - 3rd Issue (A)	2019	13.35	Quarterly	34,972	-
Soneri Bank Limited (Others)	2026	18.97	Half yearly	100,000	100,000
Habib Bank Limited (Others)	Perpetual	18.66	Quarterly	100,000	100,000
				B	200,000
Corporate Sukuks - quoted					
Dubai Islamic Bank Limited - Tier I	Perpetual	17.66	Monthly	80,000	80,000
Dubai Islamic Bank Limited - Tier II	2032	17.51	Half yearly	22,000	22,044
				C	102,044
				D = A + B + C	14,483,919

*The amount of Pakistan investment bonds includes Rs. 235 million (2024: Rs. 235 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000 and Rs. 500 million deposited with NCCPL (2024:115 million)

Term finance certificate, preference shares and corporate sukuks	No. of certificate / shares		Face Value	Value of certificate / shares	
	2025	2024		2025	2024
	(Rupees in '000)				
10.2	Agritech Ltd. - 3rd Issue (B) / preference shares	1,133	1,133	5,000	-
10.3	Agritech Ltd. - 3rd Issue (A) / preference shares	7,000	7,000	5,000	-
10.4	Soneri Bank Limited	20,000	20,000	5,000	100,000
10.5	Habib Bank Limited	1,000	1,000	100,000	100,000
10.6	Dubai Islamic Bank Limited - Tier I	16,000	16,000	5,000	80,000
10.7	Dubai Islamic Bank Limited - Tier II	4,400	4,400	5,000	22,000
		49,533	49,533	302,000	302,000

11	TERM DEPOSIT	Note	2025	2024
			(Rupees in '000)	
	Held to maturity			
	Deposits maturing within 12 months			
	Term deposits certificates – foreign currency	11.1	719,916	665,734

11.1	The rate of return on foreign currency term deposit certificates issued by various banks range from is 3.25 % to 5.25 % per annum (2024: 3.25 % to 5.00 % per annum) depending on tenure. These term deposit certificates have maturities up to 31 October 2026.			
12	LOANS AND OTHER RECEIVABLES – Considered good	Note	2025	2024
			----- (Rupees in '000) -----	
	Receivable against sale of securities	12.2	695,192	21,997
	Accrued investment income		459,918	567,764
	Security deposits	12.1	242,920	234,301
	Advances to suppliers		67,307	79,787
	Other receivables		16,099	12,252
	Advances to employees		5,486	2,030
	Loans to employees		3,807	2,538
			<u>1,490,729</u>	<u>920,669</u>
12.1	The Company has deposited Rs 215 million in 2024 to the Nazir of Sindh High Court in compliance with the Court's order relating to collection of workers' welfare fund (WWF) contributions as disclosed in note 22.1.10.			
12.2	Since the Company follows trade date accounting, a receivable from NCCPL has been recorded for Rs. 695 million which will be settled as per the T+2 rule.			
13	INSURANCE / REINSURANCE RECEIVABLES - Unsecured and considered good	Note	2025	2024
			----- (Rupees in '000) -----	
	Due from insurance contract holders		6,762,744	7,610,989
	Provision for impairment of receivables from insurance contractholders	13.1	(88,582)	(14,883)
			6,674,162	7,596,106
	Due from other insurer / reinsurers		88,694	38,397
			<u>6,762,856</u>	<u>7,634,503</u>
13.1	Provision for impairment of receivables from insurance contractholders			
	Balance as on 01 January		14,883	1,059
	Provision during the year		73,699	13,824
	Balance as on 31 December		<u>88,582</u>	<u>14,883</u>
13.2	Due from insurance contractholders include Rs. 45 million (2024: Rs. 48 million) receivable from related parties.			
14	PREPAYMENTS	Note	2025	2024
			----- (Rupees in '000) -----	
	Prepaid reinsurance premium ceded		12,968,872	10,661,140
	Prepaid expenses	23	27,800	16,667
	Prepaid charges for vehicle tracking devices		21,293	30,253
	Prepaid rent		7,434	7,900
			<u>13,025,399</u>	<u>10,715,960</u>

		Note	2025	2024
			----- (Rupees in '000) -----	
15	CASH AND BANK			
	Cash and cash equivalents			
	Policy and revenue stamps, bond papers		70,321	44,193
	Cash at bank			
	- foreign currency			
	Current accounts		16,105	25,284
	- local currency			
	Current accounts	15.1 & 15.2	208,519	310,578
	Saving accounts	15.3	1,821,895	1,337,742
			2,030,414	1,648,320
			<u>2,116,840</u>	<u>1,717,797</u>
15.1	The rate of return on saving accounts from various banks ranges from 7.29% to 11.50% per annum (2024: 6.50% to 11.50% per annum) depending on the size of average deposits.			
15.2	This includes an amount of Rs. 39 million (2024: Rs. 39 million) under lien with commercial banks against bank guarantees and credit facility against corporate credit cards. The Company contends that this can be used as cash and cash equivalent and there is no restriction imposed by the commercial banks.			
15.3	Cash at bank includes Rs. 845 million (2024: Rs. 526 million) held with related parties.			
15.4	Cash and cash equivalents include the following for the purposes of the cash flow statement:			
		Note	2025	2024
			----- (Rupees in '000) -----	
	Term deposits less than three months		387,902	345,402
	Cash and bank		2,116,840	1,717,797
			<u>2,504,742</u>	<u>2,063,199</u>
16	SHARE CAPITAL			
16.1	Authorized share capital			
			2025	2024
			----- (Number of shares in '000) ----	
			200,000	200,000
			200,000	200,000
			Ordinary shares of Rs. 10 each.	2,000,000
			2,000,000	2,000,000
16.2	Issued, subscribed and paid-up share capital			
			2025	2024
			----- (Number of shares in '000) ----	
			250	250
			250	250
			Ordinary shares of Rs. 10 each, paid in cash.	2,500
			199,750	199,750
			199,750	199,750
			Ordinary shares of Rs. 10 each, issued as fully paid bonus shares.	2,000,000
			2,000,000	2,000,000

17	RESERVES	Note	2025	2024
			(Rupees in '000)	
	Capital reserve			
	Reserve for exceptional losses	17.1	12,902	12,902
	Revaluation reserve for unrealized gain on available-for- sale investments - net		2,800,777	2,792,904
	Exchange translation reserve - net		2,131,302	1,967,061
			193,704	191,764
			5,138,685	4,964,631
	Revenue reserves			
	General reserve		15,000,000	14,000,000
			20,138,685	18,964,631
	Unappropriated profit		5,251,713	3,205,197
			25,390,398	22,169,828

17.1 The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.

18 RETIREMENT BENEFITS

The latest actuarial valuation as at 31 December 2025 uses a discount rate of 11.00 % (2024: 12.25 %) for defined benefit obligation and plan assets. Basic salary and pension increases to average 9.00 % and 3.00 % (2024: 10.25 % and 3.00 %) respectively per annum in the long term.

Actuarial valuations were conducted using the projected unit credit method. The Company contributes to the pension and gratuity funds on the advice of the funds’ actuary. The contributions are equal the current service cost with adjustment for any deficit. If there is a surplus, the Company takes a contribution holiday.

		2025		2024	
		Pension	Gratuity	Pension	Gratuity
		(Rupees in '000)			
18.1	Reconciliation of the present value of defined benefit obligations				
	At the beginning of the year	286,996	636,459	186,238	593,710
	Current service cost	248	33,698	144	28,074
	Interest cost	32,727	71,709	26,559	83,672
	Remeasurement loss / (gain) due to:				
	Change in demographic assumptions	-	-	(98)	3,819
	Change in financial assumptions	19,758	(780)	78,788	28,111
	Experience on obligation	(2,805)	92,231	30,588	23,987
	Benefits paid	(39,664)	(102,166)	(35,223)	(124,914)
	At the end of the year	297,260	731,151	286,996	636,459

18.2 Changes in fair value of plan assets

	At the beginning of the year	288,676	555,039	274,431	549,068
	Interest income	32,938	64,452	40,490	79,323
	Remeasurement gain due to investment return	21,180	49,833	8,458	17,502
	Contributions paid by the Company	17	44,362	104	34,060
	Contributions paid by the employees	66	-	416	-
	Benefits paid	(39,664)	(102,166)	(35,223)	(124,914)
	At the end of the year	303,213	611,520	288,676	555,039

		2025		2024	
		Pension	Gratuity	Pension	Gratuity
		(Rupees in '000)			
18.3	Charge to profit and loss account				
	Service cost				
	Current service cost	248	33,698	144	28,074
	Employee contributions	(66)	-	(416)	-
	Net interest (income) / cost	(211)	7,257	(13,931)	4,349
	Chargeable to profit and loss account	(29)	40,955	(14,203)	32,423

18.3.1 The charge to pension and gratuity fund for the year 2025 amounts to Rs. 41 million (2024: Rs. 18 million).

18.4 Remeasurements recognized in other comprehensive income

	Note	2025		2024	
		Pension	Gratuity	Pension	Gratuity
		(Rupees in '000)			
Change in demographic assumptions		-	-	(98)	3,819
Change in financial assumptions		19,758	(780)	78,788	28,111
Experience on obligation		(2,805)	92,231	30,588	23,987
Investment return		(21,180)	(49,833)	(8,458)	(17,502)
Chargeable in statement of comprehensive income		(4,227)	41,618	100,820	38,415
Total defined benefit cost		(4,256)	82,573	86,617	70,838

18.5 (Asset) / liability on statement of financial position

	At the beginning of the year	(1,680)	81,420	(88,193)	44,642
	Defined benefit cost	(4,256)	82,573	86,617	70,838
	Contributions paid by the Company	(17)	(44,362)	(104)	(34,060)
		(5,953)	119,631	(1,680)	81,420
	Retirement benefit obligation allocated to takaful	-	(639)	-	(484)
	At the end of the year	(5,953)	118,992	(1,680)	80,936
Reconciliation					
	Obligation	297,260	731,151	286,996	636,459
	Plan assets	(303,213)	(611,520)	(288,676)	(555,039)
	Retirement benefit obligation allocated to takaful	-	(639)	-	(484)
	Net (asset) / liability on statement of financial position	(5,953)	118,992	(1,680)	80,936

18.5.1 Company's actuary for retirement benefits provides a consolidated report for all its employees including employees in window takaful operations. The management allocates the retirement benefit obligation based on the number of employees in the takaful operations as a ratio of their total employee.

18.5.2 The weighted average of plan durations has decreased from 5.9 years on 31 December 2024, to 5.7 years on 31 December 2025.

18.6 Historical data

	2024	2023	2022	2021	2020
	(Rupees in '000)				
Pension					
Present value of defined benefit obligation	286,996	186,238	185,225	197,805	222,860
Fair value of plan assets	(288,676)	(274,431)	(254,451)	(257,769)	(267,126)
(Surplus) / deficit	(1,680)	(88,193)	(69,226)	(59,964)	(44,266)
Experience adjustment:					
- Actuarial gain on obligation	30,588	2,224	3,763	(323)	(3,874)
- Actuarial (loss) / gain on assets	8,458	12,870	(8,566)	(11,931)	13,945
Gratuity					
Present value of defined benefit obligation	636,459	593,710	591,491	549,731	511,467
Fair value of plan assets	(555,039)	(549,068)	(507,985)	(480,563)	(501,662)
Surplus / (deficit)	81,420	44,642	83,506	69,168	9,805
Remeasurements due to:					
- Actuarial (loss) / gain on obligation	23,987	12,113	31,873	31,873	18,549
- Actuarial (loss) / gain on assets	17,502	49,759	(24,592)	(17,780)	26,721

18.7 Composition of fair value of plan assets

Fund investments	Pension				Gratuity			
	2025		2024		2025		2024	
	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%	Rupees in '000
Debt	80%	242,149	94%	270,860	67%	407,148	90%	499,859
Equity	11%	34,643	3%	7,902	29%	177,290	8%	44,918
Others (include cash and bank balances)	9%	26,421	3%	9,914	4%	27,082	2%	10,262
	100%	303,213	100%	288,676	100%	611,520	100%	555,039

18.8 Sensitivity analysis on significant actuarial assumptions
Impact on obligation of 1% change in assumptions

Assumptions	1 % increase	1 % decrease
	(Rupees in '000)	
Discount rate	(48,861)	54,191
Salary	36,622	(33,711)
Pension	19,212	(17,365)
	Pension	Gratuity
	(Rupees in '000)	
Projected payments		
Company contributions 2026	28	52,554
Benefit payments:		
2026	42,829	105,309
2027	42,568	89,086
2028	41,417	118,220
2029	39,856	226,822
2030	39,109	91,013
2031 - 2035	179,053	420,026

19 DEFERRED TAXATION

	2025	2024
	(Rupees in '000)	
Deferred debits arising in respect of:		
Impairment of available-for-sale equity securities	(2,699,115)	(2,410,442)
Premium due but unpaid	(34,547)	(5,804)
Defined benefit plan	(22,167)	(78,413)
Impairment of preference shares	(15,848)	(15,848)
Right-of-use assets	(10,311)	(9,343)
	(2,781,988)	(2,519,850)
Deferred credits arising in respect of:		
Unrealized gain on available-for-sale investments	1,734,705	1,722,400
Fair value of investment properties	1,362,634	1,257,628
Revaluation of property and equipment	873,753	810,696
Effect of translation of foreign branch	85,536	84,296
Accelerated tax depreciation	74,164	71,168
Unrealized gain on investments at held-for-trading	10,413	484
	4,141,205	3,946,672
	1,359,217	1,426,822

19.1 Movement in net deferred tax (liability) / asset is as follows:

	2025			
	Balance as at 01 January	Recognized in profit and loss account	Recognized in other comprehensive income	Balance as at 31 December
	(Rupees in '000)			
Deductible temporary difference				
Impairment of available-for-sale equity securities	2,410,442	288,673	-	2,699,115
Premium due but unpaid	5,804	28,743	-	34,547
Defined benefit plan	78,413	7,991	(64,237)	22,167
Impairment of preference shares	15,848	-	-	15,848
Right-of-use assets	9,343	968	-	10,311
	2,519,850	326,375	(64,237)	2,781,988
(Taxable) temporary difference				
Unrealized gain on available-for-sale investments	(1,722,400)	-	(12,305)	(1,734,705)
Fair value of investment properties	(1,257,628)	(105,006)	-	(1,362,634)
Revaluation of property and equipment	(810,696)	8,874	(71,931)	(873,753)
Effect of translation of foreign branch	(84,296)	-	(1,240)	(85,536)
Accelerated tax depreciation	(71,168)	(2,996)	-	(74,164)
Unrealized gain on investments at held-for-trading	(484)	(9,929)	-	(10,413)
	(3,946,672)	(109,057)	(85,476)	(4,141,205)
	(1,426,822)	217,318	(149,713)	(1,359,217)
Net deferred tax (liability) / assets				

	2024			
	Balance as at 01 January	Recognized in profit and loss account	Recognized in other compre- hensive income	Balance as at 31 December
	(Rupees in '000)			
Deductible temporary difference				
Impairment of available-for-sale equity securities	1,998,895	411,547	-	2,410,442
Defined benefit plan	24,111	-	54,302	78,413
Impairment of TFCs	15,848	-	-	15,848
Right-of-use assets	6,895	2,448	-	9,343
Premium due but unpaid	413	5,391	-	5,804
	2,046,162	419,386	54,302	2,519,850
(Taxable) temporary difference				
Unrealized gain on available-for-sale investments	(370,298)	-	(1,352,102)	(1,722,400)
Fair value of investment properties	(1,152,437)	(105,191)	-	(1,257,628)
Revaluation of property and equipment	(728,563)	6,284	(88,417)	(810,696)
Effect of translation of foreign branch	(86,826)	-	2,530	(84,296)
Accelerated tax depreciation	(68,850)	(2,318)	-	(71,168)
Unrealized gain on investments at held-for-trading	-	(484)	-	(484)
	(2,406,974)	(101,709)	(1,437,989)	(3,946,672)
Net deferred tax (liability) / assets	(360,812)	317,677	(1,383,687)	(1,426,822)

20	INSURANCE / REINSURANCE PAYABLES	2025	2024
		(Rupees in '000)	
	Reinsurance companies	6,649,608	7,290,100
	Coinurance companies	465,145	540,381
		7,114,753	7,830,481

The Company has coinsurance and reinsurance arrangements with various insurance and a domestic reinsurance company. Under the above arrangements, the receivable and payable balances originate mainly due to premiums collected or claims settled by the lead insurer on behalf of other co-insurers, and in case of reinsurance, the premium ceded to and claims recoverable from the reinsurer under the respective contracts. As per the prevailing industry practices, settlements of balances under coinsurance arrangements are done between the respective insurance companies in normal course of business. The Company believes that the current balances of coinsurers and reinsurer 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 coinsurers based on significance of the balances and the reinsurers. This information corroborates the balance position of the Company in all material respects.

21	OTHER CREDITORS AND ACCRUALS	Note	2025	2024
			(Rupees in '000)	
	Security deposits against bond insurance	21.1	2,043,068	1,311,076
	Agent commission payable		714,168	784,477
	Unclaimed dividends		595,564	547,760
	Sales tax payable		581,294	647,064
	Accrued expenses		503,443	516,433
	Workers' welfare fund		450,196	277,873
	Lease liabilities	21.2	94,803	118,784
	Unearned rentals		90,001	98,205
	Others		30,049	302,683
	Federal insurance fee payable		10,667	18,533
			5,113,253	4,622,888

21.1	This represents margin deposit on account of performance and other bond policies issued by the Company.	2025	2024
		(Rupees in '000)	
		48,320	51,236
		46,483	67,548
		94,803	118,784

	2025			2024		
	Minimum lease Payments	Financial charges for future periods	Principal outstanding	Minimum lease Payments	Financial charges for future periods	Principal outstanding
	(Rupees in '000)					
Not later than one year	50,899	2,579	48,320	65,811	14,575	51,236
Later than one year and not later than five years	41,971	9,704	32,267	68,907	18,213	50,694
Over five years	33,023	18,807	14,216	27,711	10,857	16,854
	125,893	31,090	94,803	162,429	43,645	118,784

22	CONTINGENCIES AND COMMITMENTS
22.1	The income tax assessment of the Company has been finalized up to the tax year 2025.
22.1.1	The income tax department made an assessment order for the assessment years 1999 - 2000 and 2000 - 2001 by adding back provisions for the bonus to staff, provision for gratuity and excess management expenses. The Company had filed appeals before the Commissioner, of Inland Revenue (Appeals). The appeals have been decided in the favor of the income tax department. The Company has filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Company a tax liability of Rs. 13 million would arise.

- 22.1.2 The Income Tax Department (Audit) made an assessment order for the assessment year 2002 - 2003 by adding certain items. The Company had filed an appeal before the Commissioner of Income Tax (Appeals). The appeal was decided in favor of the Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT) and the same has been decided in the favor of the Company. The Department has filed an appeal before the High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of the estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Company a tax liability of Rs. 76 million would arise.
- 22.1.3 The Commissioner of Inland Revenue (Audit) amended the tax assessment of the Company for the tax year 2005 to 2007 by disallowing prorated expenses. The Company had filed appeals before the Commissioner of Income Tax (Appeals). The appeals were decided in favor of the Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) passed an order in favor of the Company. The Department then filed a reference before the High Court of Sindh. The High Court of Sindh maintained the decision of the Income Tax Appellate Tribunal (ITAT). The Department has filed appeals before the Supreme Court of Pakistan against the decision of the High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Company, a tax liability of Rs. 37 million would arise.
- 22.1.4 The Commissioner Inland Revenue (Audit) amended the tax assessment of the Company for the tax year 2008 by adding capital gain on investments, depreciation on leased assets, admissible expenses, reinsurance premium ceded, provision for leave encashment, amortization of premium relative to par and provision for outstanding claims (IBNR). The Company filed an appeal before the Commission of Income Tax (Appeals) against the order of the Income Tax Commissioner (Audit). The Appeal was decided in favor of the Company except addition made on account of the reinsurance premium ceded. The Company had filed an appeal before the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for maintaining the decision of the Income Tax Commissioner (Audit) with respect to confirming the addition made on account of reinsurance premium ceded. The Income Tax Appellate Tribunal (ITAT) decided the case in favor of the Company. The Department had filed an appeal in the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for the deletion of Capital Gain on Investments, provision for Leave Encashment, and Depreciation on Leased Asset. The Income Tax Appellate Tribunal (ITAT) decided the case in favor of the Company. The Department has filed appeals before the High Court of Sindh against the decision of the Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium, deletion of Capital Gain on Investment, Provision for Leave Encashment, and Depreciation on Leased Assets. If the appeals are decided against the Company, a tax liability of Rs. 5.099 billion would be payable. The High Court of Sindh has issued orders in favor of the assesses on identical cases.
- 22.1.5 The Department has filed an appeal for tax years 2015 to 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of the Commissioner (Appeal) in respect of Dividend Income taxed at the reduced rate. If the appeal is decided against the Company, a tax liability of Rs. 240 million would arise.
- 22.1.6 The Commissioner of Inland Revenue (Audit) has made an addition to the income of Tax years 2017 and 2019 on account of the fair market value of motor vehicles. The Company has filed appeals before the Commissioner of Income Tax (Appeals). The Commissioner of Income Tax (Appeals) has confirmed the action of the Commissioner, of Inland Revenue (Audit). The Company then filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Company, a tax liability of Rs. 2 million would arise. The Income-tax Appellate Tribunal (ITAT) has issued orders in favor of the Company on this issue in previous years.
- 22.1.7 The Commissioner of Inland Revenue (Audit) has made an addition to the income of the Tax year 2022 on account of expenses. The Company has filed appeals before the Commissioner of Income Tax (Appeals). If the appeal is decided against the Company, a tax liability of Rs. 3 million would arise.
- 22.1.8 The Commissioner Inland Revenue (Audit) has made an addition to the income of the Tax year 2023 on account of agent commission payable and expenses. The Company has filed appeals before the Commissioner Income Tax (Appeals). If the appeal is decided against the Company, a Tax liability of Rs. 6 million would arise.

- 22.1.9 Following the 18th Amendment to the Constitution, the Governments of Sindh, Punjab, and Balochistan introduced the Workers Welfare Fund (WWF) levy through the Sindh WWF Act, 2014, the Punjab Workers Welfare Fund Act, 2019, and the Balochistan Workers Welfare Fund Act, 2022. Notably, the Sindh WWF Act, 2014, was further amended in 2022 to encompass entities under the Shops Act. As a result of this amendment, insurance companies, which were previously exempt, are now required to contribute to the WWF under the provisions of the Sindh WWF Act.
- 22.1.10 The Sindh Revenue Board (SRB) issued a notice to the Company, demanding WWF contributions for the years 2022 and 2023. The Company challenged this notice before the Honorable High Court of Sindh, contending that it operates as a trans-provincial entity across multiple provinces, and therefore, the Act cannot be applied to such companies. As a result, the Court issued an order restraining the SRB from collecting or recovering the WWF in Sindh, subject to the submission of the disputed amount, as stated in the notice, via Pay Order to the Nazir of the Court. The Court further directed that once this amount is deposited, the SRB must maintain the status quo. In compliance with the Court's order, the Company has submitted a Pay Order amounting to Rs. 215 million.
- 22.1.11 In 2014, 2015, 2016, 2017 and 2018, Searle Company Limited issued bonus shares (453,612, 312,993, 664,632, 472,284 and 443,697 shares, respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981, 24,857 and 21,360 shares respectively). In this regard, a constitutional petition had been filed by the Company in the High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Company. The High Court of Sindh decided the case against the Company. Subsequently, the Company filed an appeal with a larger bench of the High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgment until the next date of hearing, which has not yet been decided. Consequently, the Company has not paid / provided an amount of Rs. 37 million being withholding tax on bonus shares.
- 22.1.12 The Sindh Revenue Board has issued SCNs under section 23 (1) of the Sindh Sales Tax on Services Act 2011 in respect of sales tax on reinsurance services, from July 2011 to December 2015, acquired from foreign reinsurers. The Sindh High Court ruled in favour of the department in January 2025, but the Company, together with other insurers, has appealed the decision to the Supreme Court of Pakistan. The matter has since been transferred to the Federal Constitutional Court under CPLA No. 1040 of 2025. Legal advisors have confirmed that the Company has a strong arguable case with a likelihood of a favourable outcome, and therefore no provision has been recorded in the financial statements at this stage.
- 22.2 No provision has been made in these unconsolidated financial statements for the above contingencies, as the management, based on the tax advisor's opinion, is confident that the decision in this respect will be decided in favor of the Company. If the contingencies disclosed above become applicable to the Window Takaful Operations, the takaful operations will bear their proportionate share of the exposure.
- 22.3 Contingent liabilities disclosed are other than those arising from contracts with policyholders.
- 22.4 There are commitments as at 31 December 2025 for capital expenditures of Rs. 35 million (2024: Rs. 59 million).

		2025	2024
		(Rupees in '000)	
23	NET INSURANCE PREMIUM		
	Written gross premium	42,467,589	37,910,712
	Unearned premium reserve - opening	18,315,194	19,546,386
	Unearned premium reserve - closing	(20,673,685)	(18,315,194)
	Premium earned	40,109,098	39,141,904
Less:			
Reinsurance premium ceded		27,907,414	22,771,672
Prepaid reinsurance premium - opening		10,661,140	12,479,228
Prepaid reinsurance premium - closing		(12,968,872)	(10,661,140)
Reinsurance expense		25,599,682	24,589,760
		14,509,416	14,552,144

	2025	2024
	----- (Rupees in '000) -----	
24 NET INSURANCE CLAIMS		
Claims Paid	8,668,928	8,202,642
Outstanding claims including IBNR - closing	12,545,548	13,029,997
Outstanding claims including IBNR - opening	(13,029,997)	(10,774,706)
Claims expense	8,184,479	10,457,933
Less:		
Reinsurance and other recoveries received	2,709,928	3,054,095
Reinsurance and other recoveries in respect of outstanding claims - opening	(8,596,247)	(7,009,843)
Reinsurance and other recoveries in respect of outstanding claims - closing	8,040,266	8,596,247
Reinsurance and other recoveries revenue	2,153,947	4,640,499
	<u>6,030,532</u>	<u>5,817,434</u>

24.1 Claim development

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

Accident year	2021 and prior	2022	2023	2024	2025 (Including IBNR)	Total
	-----	-----	-----	-----	-----	-----
	(Rupees in '000)					
Estimate of ultimate claims costs:						
– At end of accident year	23,513,361	11,712,189	9,160,636	9,949,830	9,638,814	63,974,830
– One year later	19,402,298	10,943,965	9,695,478	9,333,007	-	49,374,748
– Two years later	17,863,428	11,038,319	9,166,398	-	-	38,068,145
– Three years later	17,202,028	11,013,381	-	-	-	28,215,409
– Four years later	16,875,764	-	-	-	-	16,875,764
Current estimate of cumulative claims	16,875,764	11,013,381	9,166,398	9,333,007	9,638,814	56,027,364
Cumulative payments to date	14,944,987	10,391,323	7,622,312	5,933,220	4,589,974	43,481,816
Liability recognized in statement of financial position	<u>1,930,777</u>	<u>622,058</u>	<u>1,544,086</u>	<u>3,399,787</u>	<u>5,048,840</u>	<u>12,545,548</u>

24.2 The provision for IBNR on the basis of actuarial valuation carried out as at 2025 amounts to Rs. 454 million (2024: Rs. 454 million).

	2025	2024
	----- (Rupees in '000) -----	
25 NET COMMISSION AND OTHER ACQUISITION COST		
Commission paid or payable	3,243,983	3,224,452
Deferred commission expense - opening	1,510,828	1,491,266
Deferred commission expense - closing	(1,483,625)	(1,510,828)
Net commission	3,271,186	3,204,890
Less:		
Commission received or recoverable	693,813	662,223
Unearned reinsurance commission - opening	329,486	302,821
Unearned reinsurance commission - closing	(348,688)	(329,486)
Commission from reinsurers	674,611	635,558
	<u>2,596,575</u>	<u>2,569,332</u>

	Note	2025	2024
		----- (Rupees in '000) -----	
26 MANAGEMENT EXPENSES			
Salaries, wages and benefits	26.1	2,360,190	2,291,613
Depreciation	5.1 & 5.1.1	337,468	298,885
Repair and maintenance		210,359	243,354
Bonus		180,340	180,948
Travelling, club and entertainment		177,402	137,470
Gas, electricity and fuel		93,085	119,659
Bad and doubtful debts	13.1	73,699	13,824
Annual supervision fee of SECP		67,832	168,364
Tracker monitoring		49,759	68,407
Printing and stationery		42,966	47,366
Gratuity		34,412	27,685
Telephone		24,375	26,661
Rent, rates and taxes		9,763	13,099
Insurance		8,628	5,940
Postage and telegram		8,382	9,379
Miscellaneous		8,074	88,063
Bank charges and commission		5,288	4,649
Levy to insurance association of Pakistan		3,000	2,000
		<u>3,695,022</u>	<u>3,747,366</u>

26.1 This includes a contribution of Rs. 44.06 million (2024: Rs. 39.12 million) to the employees' provident fund.

	2025	2024
	----- (Rupees in '000) -----	
27 INVESTMENT INCOME		
Income from subsidiary		
Available-for-sale - dividend income	715,021	710,199
Income from equity securities		
Available-for-sale - dividend income	630,414	392,389
Held-for-trading - dividend income	51,341	3,724
	681,755	396,113
Income from debt securities		
Available-for-sale - return on debt securities	1,564,924	2,071,234
Income from term deposits - Held-to-maturity - return on term deposits	28,162	37,570
	<u>2,989,862</u>	<u>3,215,116</u>
Net realized gains / (losses) on investments available-for-sale financial assets		
Realized gains on:		
Equity securities	2,397,144	22,825
Debt securities	68,686	-
Realized (losses) on:		
Equity securities	(44,086)	(38,090)
Debt securities	(5,780)	(35,233)
	2,415,964	(50,498)
Held-for-trading		
Realized gains on: Equity securities	1,328,905	176,498
Realized losses on: Equity securities	(526,045)	(17,450)
	802,860	159,048

	Note	2025 ----- (Rupees in '000) -----	2024
Net unrealized gain on investment at fair value through profit or loss held-for-trading	9	25,460	1,241
Total investment income		6,234,146	3,324,907
Less: (Impairment) / reversal of impairment in value of available-for-sale			
Subsidiary	8	(933,470)	(1,033,527)
Equity securities	9	193,282	(21,721)
Investment related expenses		(137,179)	(15,040)
		<u>5,356,779</u>	<u>2,254,619</u>
28 RENTAL INCOME			
Rental income		230,883	218,951
Less: Expenses of investment properties		<u>(92,145)</u>	<u>(90,050)</u>
		<u>138,738</u>	<u>128,901</u>
29 OTHER INCOME			
Return on bank balances		243,854	497,994
Gain on sale of property and equipment		156,180	87,585
Exchange gain / (loss)		5,777	(1,604)
Return on loans to employees		161	165
(Loss) / gain on early termination of lease agreement		<u>(173)</u>	<u>316</u>
		<u>405,799</u>	<u>584,456</u>
30 OTHER EXPENSES			
Workers' welfare fund	22.1.10	172,323	124,998
Subscription to association		39,787	34,083
Legal and professional fee		31,907	27,421
Charity and donations	30.2	18,605	12,042
Auditor's remuneration	30.1	<u>14,486</u>	<u>11,604</u>
		<u>277,108</u>	<u>210,148</u>
30.1 Auditor's remuneration			
Audit fee		7,363	5,375
Special certifications and sundry advisory services		6,093	5,069
Out-of-pocket expenses		<u>1,030</u>	<u>1,160</u>
		<u>14,486</u>	<u>11,604</u>
30.2 Charity and donations			
Donations include the following in whom the directors are interested:			
Name of director	Interest in donee	Name and address of donee	2025 ----- (Rupees in '000) -----
Saifuddin N. Zoomkawala	Board member	SIUT Civil Hospital New Labour Colony Nanakwara, Karachi.	<u>500</u>
Saifuddin N. Zoomkawala	Board member	Fakhr-e-Imdad Foundation Mirpurkhas Digri Road, Mirwah Gorchani, Mirpurkhas.	<u>500</u>
Hasanali Abdullah	Board member	The Aga Khan Hospital and Medical College Foundation Stadium Road, Karachi.	<u>1,850</u>

30.2.1 Donations to a single party exceeding Rs. 500,000

Name of donee

	2025 ----- (Rupees in '000) -----	2024
Nafees-ul-Hassan	1,913	-
The Aga Khan Hospital and Medical College Foundation	1,850	-
Karachi Vocational Training Centre	1,000	-
Indus Hospital and Health Network	950	-
The Kidney Centre	800	-
Abdul Sattar Edhi Foundation	500	-
Afzaal Memorial Thalassemia Foundation	500	-
Akhuwat	500	-
Aziz Tabba Foundation	500	-
Bait ul Sukoon Cancer Hospital	500	500
Childlife Foundation	500	-
Citizens Foundation	500	500
Fakhr-E-Imdad Foundation	500	-
Friends of Pink Ribbon (Women's Empowerment Group)	500	500
Friends Of The Burns Centre	500	-
Layton Rehmatullah Benevolent Trust	500	500
Lyallpur Literary Council	500	-
Memon Medical Institute	500	500
Shaukat Khanum Memorial Trust	500	-
SIUT Trust	500	-
The Faisalabad Chamber Of Commerce and Industry	500	-
The Patient's Aid Foundation	500	500
The Patients Behbud Society for AKUH	500	500
Hunar Foundation	-	500
SAARC Chamber of Commerce and Industry	-	500
	<u>15,513</u>	<u>4,500</u>

31 PROFIT FROM WINDOW TAKAFUL OPERATIONS – OPERATOR'S FUND

Wakala fee	1,297,962	1,141,949
Commission expense	(384,840)	(355,222)
General, administrative and management expenses	(563,803)	(474,058)
Modarib's share of PTF investment income	90,014	134,361
Investment income	169,762	208,719
Direct expenses	(14,939)	(14,693)
Other income	14,566	13,445
	<u>608,722</u>	<u>654,501</u>

32	TAXATION	2025	2024
		----- (Rupees in '000) -----	
	For current year		
	Current	2,669,985	1,998,226
	Deferred	(217,606)	(317,796)
	Super tax	922,588	690,519
		<u>3,374,967</u>	<u>2,370,949</u>

32.1 Relationship between tax expense and accounting profit

	2025	2024	2025	2024
	Effective tax rate %		---- (Rupees in '000) ----	
Profit before taxation				
			<u>8,673,471</u>	<u>6,082,077</u>
Tax at the applicable rate				
	29	29	2,515,306	1,763,802
Effect of super tax at the rate of 10% (2024:10%)				
	11	11	922,588	690,519
Tax effects of permanent differences				
	(1)	(1)	(62,927)	(83,372)
	<u>39</u>	<u>39</u>	<u>3,374,967</u>	<u>2,370,949</u>

32.1.1 The Federal Board of Revenue (FBR) introduced a super tax on high-earning persons under section 4 - C, effective from Tax Year 2022. As the Company's taxable income has exceeded Rs. 500 million in the current year as well as prior year, a super tax of 10% on taxable income has been applied in both years.

		2025	2024	
		----- (Rupees in '000) -----		
33	EARNINGS (AFTER TAX) PER SHARE			
	Profit (after tax) for the year	(Rupees '000)	<u>5,298,504</u>	<u>3,711,128</u>
	Weighted average number of ordinary shares	(Numbers '000)	<u>200,000</u>	<u>200,000</u>
	Earnings (after tax) per share	(Rupees)	<u>26.49</u>	<u>18.56</u>

33.1 No figures for diluted earnings per share have been presented as the Company has not issued any instrument which would have dilutive affect on earnings per share. (2024: Nil)

34 COMPENSATION OF DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	2025				2024			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	----- (Rupees in '000) -----							
Fees	-	10,800	-	10,800	-	9,075	-	9,075
Managerial remuneration	102,000	-	1,108,472	1,210,472	68,400	-	865,874	934,274
Leave encashment	8,500	-	43,032	51,532	5,700	-	37,741	43,441
Bonus	22,500	-	133,214	155,714	20,000	-	96,360	116,360
Retirement benefits	9,000	-	53,336	62,336	6,000	-	36,514	42,514
Utilities	3,017	-	55,438	58,455	3,394	-	67,196	70,590
Medical expenses	147	-	28,551	28,698	792	-	26,010	26,802
Leave passage	3,000	-	2,100	5,100	3,700	-	4,241	7,941
	<u>148,164</u>	<u>10,800</u>	<u>1,424,143</u>	<u>1,583,107</u>	<u>107,986</u>	<u>9,075</u>	<u>1,133,936</u>	<u>1,250,997</u>
Number of persons	<u>1</u>	<u>8</u>	<u>452</u>	<u>461</u>	<u>1</u>	<u>8</u>	<u>322</u>	<u>331</u>

34.1 The Chief Executive Officer is provided with the Company maintained cars, house rent and utilities, residence-furnishing allowance, reimbursement of servants and driver salaries, leave fare assistance, club bills, medical facility, group life cover and health insurance. The Executives are provided with free use of Company cars, medical insurance cover and certain items of household furniture and fixtures in accordance with their entitlements. The Chairman and Vice Chairman are provided with free use of Company maintained cars, furnished accommodations, medical insurance covers and residential utilities.

The Non-Executive Directors were paid Directors meeting fee of Rs. 10.80 million (2024: Rs. 9.1 million). No other remuneration was paid to Non-Executive Directors.

35 RELATED PARTY TRANSACTIONS

Related parties comprise of directors, major shareholders, key management personnel, associated companies, subsidiary company, and entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties during the year other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

	2025	2024
	----- (Rupees in '000) -----	
Transactions		
Subsidiary company		
Premium received	50,937	41,795
Premium paid	74,202	14,937
Claims paid	13,459	3,339
Dividends received	715,021	710,199
Associated companies		
Premium received	188,829	57,453
Premium paid	-	32,257
Claims paid	37,645	33,821
Dividends received	7,798	7,090
Dividends paid	634,127	726,782
Profit received on term deposits	-	37,570
Profit received on bank deposits	162,232	306,026

	2025	2024
	----- (Rupees in '000) -----	
Key management personnel		
Premium received	41	43
Claims paid	153	-
Dividends paid	36	929
Compensation	204,233	151,457
Sale of vehicle to director	5,500	1,900
Others		
Premium received	78,634	87,659
Claims paid	22,495	21,776
Dividend paid	818,244	685,548
Dividend received	1,200	-
Brokerage paid	44,809	7,661
Donations paid	2,850	-
Sponsorship paid	1,563	-
Services paid	297	-
Premium paid	14,486	-
Employees' funds		
Contribution to provident fund	44,058	39,116
Contribution to gratuity fund	40,316	31,937
Contribution released to pension fund	29	14,203
Dividends paid	4,494	4,494
Balances		
Associated companies		
Balances receivable	45,295	48,160
Bank balances	844,902	525,823
Employees' funds receivable / payable		
EFU gratuity fund payable	118,992	80,936
EFU pension fund receivable	5,953	1,680

35.1 Following are the particulars of the related parties other than employee retirement benefit plans, key management personnel and Directors of the Company at the reporting date:

Name of Related Party	Basis of relationship	Aggregate % of Shareholding in the Company / Trust
EFU Life Assurance Limited	Subsidiary Company	45.60%
Jahangir Siddiqui & Company Limited	Substantial Shareholder	2.15%
JS Bank Limited	Associated Company	0.00%
JS Global Capital Limited	Associated Company	0.00%
Bank Islami Pakistan Limited	Associated Company	0.26%
Azgard Nine	Associated Company	0.53%
TRG Pakistan Limited	Associated Company	0.09%
EFU Services (Private) Limited	Common Directorship	0.00%
Jubilee General Insurance Company Limited	Common Directorship	0.11%
Energy Infrastructure Holding (Private) Limited	Associated Company	0.00%
New World Concepts	Common Directorship	0.00%
JS Investment Limited	Other Related Parties	0.00%
JS Infocom Limited	Associated Company	0.00%
JS International Limited	Associated Company	0.00%
JS Petroleum Private Limited	Associated Company	0.00%
Quality Energy Solutions Private Limited	Associated Company	0.00%
Future Trust	Other Related Parties	0.00%
JS Lands Private Limited	Other Related Parties	0.00%
Aga Khan University Foundation (Pakistan Branch) Geneva	Common Directorship	0.00%
Fakhr-e-Imdad Foundation	Common Directorship	0.00%
Jahangir Siddiqui & Sons Limited	Other Related Parties	0.00%
Jahangir Siddiqui Securities Services Limited	Other Related Parties	0.00%
Organization for Social Development Initiatives	Common Directorship	0.00%
Sindh Institute of Urology &Transplantation	Common Directorship	0.00%
The Aga Khan Hospital & Medical College Foundation	Common Directorship	0.00%
Tourism Promotion Services Pakistan Limited	Common Directorship	0.00%
Trustee Allianz EFU Health Insurance - Employee Provident Fund	Other Related Parties	0.00%
Trustee EFU General Insurance Limited - EGF	Other Related Parties	0.00%
Trustee EFU General Insurance Limited - OPF	Other Related Parties	0.00%
Trustee EFU General Insurance Limited - SPF	Other Related Parties	0.00%
Trustee EFU Life Assurance Limited - Employee Provident Fund	Other Related Parties	0.00%
Trustee JSCL - Staff Provident Fund	Other Related Parties	0.00%

36 SEGMENT INFORMATION

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

Current year	2025					
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
	(Rupees in '000)					
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	36,546,156	6,070,046	4,560,477	2,891,072	-	50,067,751
Less: Sales tax	4,890,620	687,001	614,619	393,972	-	6,586,212
Stamp duty	4,215	570,544	8,878	8,009	-	591,646
Federal insurance fee	311,177	47,643	38,983	24,501	-	422,304
Gross written premium (inclusive of administrative surcharge)	31,340,144	4,764,858	3,897,997	2,464,590	-	42,467,589
Gross direct premium	31,076,869	4,710,007	3,773,720	2,421,992	-	41,982,588
Facultative inward premium	222,495	614	-	19,215	-	242,324
Administrative surcharge	40,780	54,237	124,277	23,383	-	242,677
Insurance premium earned	29,332,438	4,781,806	3,788,255	2,206,599	-	40,109,098
Insurance premium ceded to reinsurers	(22,135,082)	(2,533,131)	(33,484)	(897,985)	-	(25,599,682)
Net insurance premium	7,197,356	2,248,675	3,754,771	1,308,614	-	14,509,416
Commission income	601,633	21,185	-	51,793	-	674,611
Net underwriting income	7,798,989	2,269,860	3,754,771	1,360,407	-	15,184,027
Insurance claims	(4,943,822)	(695,495)	(1,851,641)	(693,521)	-	(8,184,479)
Insurance claims recovered from reinsurers	2,304,265	(141,427)	3,342	(12,233)	-	2,153,947
Net claims	(2,639,557)	(836,922)	(1,848,299)	(705,754)	-	(6,030,532)
Commission expense	(2,338,351)	(365,456)	(335,582)	(231,797)	-	(3,271,186)
Management expenses	(1,804,892)	(578,118)	(968,184)	(343,828)	-	(3,695,022)
Net insurance claims and expenses	(6,782,800)	(1,780,496)	(3,152,065)	(1,281,379)	-	(12,996,740)
Underwriting result	1,016,189	489,364	602,706	79,028	-	2,187,287
Net investment income						5,356,779
Rental income						138,738
Other income						405,799
Other expenses						(277,108)
Finance cost						(15,993)
Change in fair value of investment properties						269,247
Profit from window takaful operations - Operator's Fund						608,722
Profit before tax						8,673,471
Corporate segment assets	22,741,508	4,270,478	703,331	1,672,610	-	29,387,927
Corporate segment assets - takaful OPF and PTF	2,281,025	205,032	1,587,537	407,546	-	4,481,140
Corporate unallocated assets						45,965,765
Corporate unallocated assets - takaful OPF and PTF						5,791,426
Total assets						85,626,258
Corporate segment liabilities	30,450,052	5,697,897	2,837,637	4,711,604	-	43,697,190
Corporate segment liabilities - takaful OPF and PTF	2,685,790	362,613	2,632,918	680,013	-	6,361,334
Corporate unallocated liabilities						4,683,582
Corporate unallocated liabilities - takaful OPF and PTF						2,127,113
Total liabilities						56,869,219
Location					External premium less reinsurance by geographical segments 31 December 2025	
Pakistan					14,484,505	
EPZ*					24,911	
Total					14,509,416	
* This represents US Dollar equivalent in Pakistani Rupees.						

Prior year	2024					
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Total
	(Rupees in '000)					
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	31,450,362	5,875,977	4,461,563	2,488,298	-	44,276,200
Less: Sales tax	4,047,898	644,107	584,223	326,061	-	5,602,289
Stamp duty	2,541	372,770	4,976	5,788	-	386,075
Federal insurance fee	269,606	48,101	38,341	21,076	-	377,124
Gross written premium (inclusive of administrative surcharge)	27,130,317	4,810,999	3,834,023	2,135,373	-	37,910,712
Gross direct premium	26,929,574	4,753,380	3,697,196	2,076,819	-	37,456,969
Facultative inward premium	169,803	781	-	33,400	-	203,984
Administrative surcharge	30,940	56,838	136,827	25,154	-	249,759
Insurance premium earned	28,239,516	4,752,917	4,062,251	2,087,220	-	39,141,904
Insurance premium ceded to reinsurers	(21,149,108)	(2,630,148)	(36,853)	(773,651)	-	(24,589,760)
Net insurance premium	7,090,408	2,122,769	4,025,398	1,313,569	-	14,552,144
Commission income	571,928	21,858	1	41,771	-	635,558
Net underwriting income	7,662,336	2,144,627	4,025,399	1,355,340	-	15,187,702
Insurance claims	(4,884,702)	(3,310,960)	(1,770,658)	(491,613)	-	(10,457,933)
Insurance claims recovered from reinsurers	2,172,473	2,460,225	(67)	7,868	-	4,640,499
Net claims	(2,712,229)	(850,735)	(1,770,725)	(483,745)	-	(5,817,434)
Commission expense	(2,255,116)	(374,836)	(383,257)	(191,681)	-	(3,204,890)
Management expenses	(1,792,453)	(544,273)	(1,055,162)	(355,478)	-	(3,747,366)
Net insurance claims and expenses	(6,759,798)	(1,769,844)	(3,209,144)	(1,030,904)	-	(12,769,690)
Underwriting result	902,538	374,783	816,255	324,436	-	2,418,012
Net investment income						2,254,619
Rental income						128,901
Other income						584,456
Other expenses						(210,148)
Finance cost						(17,985)
Change in fair value of investment properties						269,721
Profit from window takaful operations - Operator's Fund						654,501
Profit before tax						6,082,077
						(Restated)
Corporate segment assets	21,262,287	5,491,473	643,712	1,128,100	-	28,525,572
Corporate segment assets - takaful OPF and PTF	1,775,319	138,509	1,103,613	270,485	-	3,287,926
Corporate unallocated assets						41,669,746
Corporate unallocated assets - takaful OPF and PTF						4,883,856
Total assets						78,367,100
Corporate segment liabilities	28,614,238	6,819,040	2,700,352	3,650,037	-	41,783,667
Corporate segment liabilities - takaful OPF and PTF	1,959,202	299,005	1,979,123	459,439	-	4,696,769
Corporate unallocated liabilities						4,398,075
Corporate unallocated liabilities - takaful OPF and PTF						2,050,747
Total liabilities						52,929,258
Location					External premium less reinsurance by geographical segments 31 December 2024	
Pakistan					14,531,443	
EPZ*					20,701	
Total					14,552,144	
* This represents US Dollar equivalent in Pakistani Rupees.						

37 MOVEMENT IN INVESTMENT

	Held-to-maturity	Available-for-sale subsidiary	Available-for-sale debt securities	Available-for-sale equity securities	Held-for-trading-equity securities	Total
	(Rupees in '000)					
At beginning of previous year	896,684	9,132,138	12,982,564	3,565,490	-	26,576,876
Additions	47,050	50,589	14,526,449	2,409,122	4,771,864	21,805,074
Disposals (sale and redemptions)	(278,000)	-	(14,196,753)	(673,787)	(3,773,179)	(18,921,719)
Fair value net (losses) / gains						
(excluding net realized gains / (losses))	-	(29,051)	1,171,659	2,324,318	1,241	3,468,167
Impairment losses	-	(1,033,527)	-	(21,721)	-	(1,055,248)
At beginning of current year	665,734	8,120,149	14,483,919	7,603,422	999,926	31,873,150
Additions	54,182	42,910	-	9,513,563	38,105,160	47,715,815
Disposals (sale and redemptions)	-	-	(5,348,660)	(3,727,240)	(35,169,074)	(44,244,974)
Fair value net gains / (losses)						
(excluding net realized gains / (losses))	-	383,024	(158,837)	(192,636)	25,460	57,011
Impairment (losses) / gains	-	(933,470)	-	193,282	-	(740,188)
At end of current year	719,916	7,612,613	8,976,422	13,390,391	3,961,472	34,660,814

38 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

38.1 Insurance risk

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

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy aims to minimize insurance risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Company underwrites mainly property, motor, marine cargo and transportation and other miscellaneous business. These classes of insurance are generally regarded as short-term insurance contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate insurance risk.

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

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

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

38.1.1 Frequency and severity of claim

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

The Company monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities (in percentage terms) by class of business at financial statement date:

Class	2025				2024			
	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities
	%	%	%	%	%	%	%	%
Fire and property damage	53	51	77	58	64	50	76	61
Marine, aviation & transport	18	14	8	8	8	17	9	8
Motor	21	19	9	24	21	18	10	23
Miscellaneous	8	16	6	10	7	15	5	8
	100	100	100	100	100	100	100	100

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

The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

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

	2025	2024
	(Rupees in '000)	
Class		
Fire and property damage	554,284,871	509,435,681
Marine, aviation & transport	249,060,000	243,111,000
Motor	116,000	106,015
Miscellaneous	113,544,750	90,649,520

Since the Company operates in Pakistan only, hence, all the insurance risks relate to policies written in Pakistan.

38.1.2 Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the financial statement date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the financial statement date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the financial statement date.

38.1.3 Process used to decide on assumptions

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

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

The premium liabilities have been determined such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of financial statement date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

38.1.4 Sensitivity analysis

The Company believes that the claim liabilities under insurance contracts outstanding at the year end are adequate. However, these amounts are not certain and actual payments may differ from the claim's liabilities provided in the unconsolidated financial statements. The impact on the profit before tax and shareholders' equity of the changes in the claim liabilities net of reinsurance is analyzed below. The sensitivity to changes in claim liabilities net of reinsurance is determined separately for each class of business while keeping all other assumptions constant.

	Profit before tax		Shareholder's equity	
	2025	2024	2025	2024
	(Rupees in '000)			
Impact of change in claim liabilities by +10 %				
Fire and property damage	(230,370)	(217,471)	(140,526)	(132,657)
Marine, aviation and transport	(66,124)	(76,686)	(40,336)	(46,778)
Motor	(83,500)	(81,328)	(50,935)	(49,610)
Miscellaneous	(70,534)	(67,889)	(43,026)	(41,412)
	(450,528)	(443,374)	(274,823)	(270,457)
Impact of change in claim liabilities by -10 %				
Fire and property damage	230,370	217,471	140,526	132,657
Marine, aviation and transport	66,124	76,686	40,336	46,778
Motor	83,500	81,328	50,935	49,610
Miscellaneous	70,534	67,889	43,026	41,412
	450,528	443,374	274,823	270,457

38.2 Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising of currency risk, interest rate risk and other price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

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

38.2.1 Credit risk

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

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. Due to the nature of financial assets, the Company believes it is not exposed to any major concentration of credit risk.

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

	2025	2024
	(Rupees in '000)	
Financial assets:		
Investment in debt securities	8,976,422	14,483,919
Term deposits	719,916	665,734
Loans and other receivables	1,490,729	920,669
Insurance / reinsurance receivables	6,762,856	7,634,503
Reinsurance recoveries against outstanding claims	8,040,266	8,596,247
Cash at bank	2,046,519	1,717,797
Total assets of window general takaful operations	7,573,197	6,176,965
	35,609,905	40,195,834

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

Bank Name	Agency	Short term	Long term	2025	2024 (Restated)
				----- (Rupees in '000) -----	
JS Bank Limited	PACRA	A1+	AA	844,902	575,297
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	424,069	461,360
United Bank Limited	VIS	A1+	AAA	266,790	153,653
MCB Bank Limited	PACRA	A1+	AAA	159,566	152,866
Habib Bank Limited	VIS	A1+	AAA	87,680	69,236
Faysal Bank Limited	PACRA/VIS	A1+/A1+	AA/AA+	74,238	70,904
Allied Bank Limited	PACRA	A1+	AAA	71,930	42,942
Bank Al-Habib Limited	PACRA	A1+	AAA	60,281	82,201
The Bank of Punjab	PACRA	A1+	AA+	28,984	12,403
National Bank of Pakistan	PACRA/VIS	A1+/A1+	AAA/AAA	12,352	37,640
Mobilink Microfinance Bank	PACRA/VIS	A1/A1	A/A	9,754	6,514
Samba Bank Limited	PACRA	A1	AA	3,218	3,653
Bank Alfalah Limited	PACRA	A1+	AAA	2,695	4,857
The Punjab Provincial Co-operative Bank Limited	N/A	-	-	43	-
FINCA Microfinance Bank Limited	VIS	A2	A-	13	12
U Microfinance Bank Limited	PACRA/VIS	A1/A1	A+/A+	3	36
Soneri Bank Limited	PACRA	A1+	AA-	-	30
				<u>2,046,519</u>	<u>1,673,604</u>

In addition to the above balances, term deposits maintained with the above-listed banks amount to Rs. 720 million (2024: Rs. 666 million).

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

Rating	Short term	Rating agency	2025	2024 (Restated)
			----- (Rupees in '000) -----	
Agritech Limited - 3rd Issue (B)	N/A	N/A	-	5,665
Agritech Limited - 3rd Issue (A)	N/A	N/A	-	34,972
Soneri Bank Limited	A	PACRA	100,000	100,000
Habib Bank Limited	AA+	VIS	100,000	100,000
Dubai Islamic Bank limited - Tier I	A+	VIS	80,000	80,000
Dubai Islamic Bank limited - Tier II	AA-	VIS	22,000	22,000
			<u>302,000</u>	<u>342,637</u>

The management monitors exposure to credit risk in premium receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. As at 31 December 2025, the premiums due but unpaid (other than impaired balances) includes amount receivable within one year and above one year amounting to Rs. 6,659 million (2024: Rs. 7,506 million) and Rs. 104 million (2024: Rs. 90 million) respectively.

The credit quality of amounts due from other insurers / reinsurers and claim recoveries from reinsurers can be assessed with reference to external credit ratings as follows:

	2025		2024 (Restated)	
	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims
	----- (Rupees in '000) -----			
Rating				
A or above (including Pakistan Reinsurance Company Limited)	88,545	7,768,027	38,397	7,684,149
B or above	150	187,025	150	776,310
Others	-	85,214	-	135,788
	<u>88,695</u>	<u>8,040,266</u>	<u>38,547</u>	<u>8,596,247</u>

As at 31 December 2025, the amounts due from insurers / reinsurers includes amount receivable within one year and above one year amounting to Rs. 72 million (2024: Rs. 28 million) and Rs. 17 million (2024: Rs.10 million) respectively.

38.2.2 Liquidity risk

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

The objective of the Company's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable to the Company's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

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

	2025		
	Carrying amount	Up to one year	Greater than one year
	----- (Rupees in '000) -----		
Financial liabilities:			
Outstanding claims including IBNR	12,545,548	12,545,548	-
Insurance / reinsurance payable	7,114,753	7,114,753	-
Other creditors and accruals	3,981,095	3,981,095	-
Total liabilities of window general takaful operations	2,386,703	2,386,703	-
	<u>26,028,099</u>	<u>26,028,099</u>	<u>-</u>
	2024 (Restated)		
	Carrying amount	Up to one year	Greater than one year
	----- (Rupees in '000) -----		
Financial liabilities:			
Outstanding claims including IBNR	13,029,997	13,029,997	-
Insurance / reinsurance payable	7,830,481	7,830,481	-
Other creditors and accruals	3,581,213	3,581,213	-
Total liabilities of window general takaful operations	1,889,947	1,889,947	-
	<u>26,331,638</u>	<u>26,331,638</u>	<u>-</u>

38.2.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as interest rates, foreign exchange rates and equity prices.

The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in Government securities, equity and term finance certificates markets. In addition, the Company actively monitors the key factors that affect these securities.

38.2.3.1 Interest rate risk

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

Maturity profile of financial assets and liabilities:

	2025						
	Interest / mark-up bearing			Non-interest / non-mark-up bearing			Total
	Maturity up to one year	Maturity above one year	Sub total	Maturity up to one year	Maturity above one year	Sub total	
	(Rupees in '000)						
Financial assets							
Investment in Subsidiary Investments	-	-	-	-	7,612,613	7,612,613	7,612,613
Equity securities	-	-	-	3,961,472	13,390,391	17,351,863	17,351,863
Debt securities	1,052,061	7,924,361	8,976,422	-	-	-	8,976,422
Term deposits	719,916	-	719,916	-	-	-	719,916
Loans and other receivables	3,807	-	3,807	1,414,129	-	1,414,129	1,417,936
Cash and bank deposit	1,821,895	-	1,821,895	224,624	-	224,624	2,046,519
Insurance / reinsurance receivables	-	-	-	6,762,856	-	6,762,856	6,762,856
Reinsurance recoveries against outstanding claims	-	-	-	8,040,266	-	8,040,266	8,040,266
Total assets of window general takaful operations	2,339,883	2,364,430	4,704,313	1,472,652	-	1,472,652	6,176,965
	6,223,840	14,970,406	21,194,246	19,875,204	15,723,871	35,599,075	56,793,321
Financial liabilities							
Outstanding claims including IBNR	-	-	-	12,545,548	-	12,545,548	12,545,548
Insurance / reinsurance payables	-	-	-	7,114,753	-	7,114,753	7,114,753
Other creditors and accruals	-	-	-	3,886,292	-	3,886,292	3,886,292
Lease liabilities	48,320	46,483	94,803	-	-	-	94,803
Total liabilities of window general takaful operations	-	-	-	1,889,947	-	1,889,947	1,889,947
	51,236	67,548	118,784	26,212,854	-	26,212,854	26,331,638
	2024 (Restated)						
	Interest / mark-up bearing			Non-interest / non-mark-up bearing			Total
	Maturity up to one year	Maturity above one year	Sub total	Maturity up to one year	Maturity above one year	Sub total	
	(Rupees in '000)						
Financial assets							
Investment in Subsidiary Investments	-	-	-	-	8,120,149	8,120,149	8,120,149
Equity securities	-	-	-	999,626	7,603,722	8,603,348	8,603,348
Debt securities	1,877,943	12,605,976	14,483,919	-	-	-	14,483,919
Term deposits	665,734	-	665,734	-	-	-	665,734
Loans and other receivables	2,538	-	2,538	836,314	-	836,314	838,852
Cash and bank deposit	1,337,742	-	1,337,742	335,862	-	335,862	1,673,604
Insurance / reinsurance receivables	-	-	-	7,634,503	-	7,634,503	7,634,503
Reinsurance recoveries against outstanding claims	-	-	-	8,596,247	-	8,596,247	8,596,247
Total assets of window general takaful operations	983,912	5,115,628	6,099,540	77,425	-	77,425	6,176,965
	4,867,869	17,721,604	22,589,473	18,479,977	15,723,871	34,203,848	56,793,321
Financial liabilities							
Outstanding claims including IBNR	-	-	-	13,029,997	-	13,029,997	13,029,997
Insurance / reinsurance payables	-	-	-	7,830,481	-	7,830,481	7,830,481
Other creditors and accruals	-	-	-	3,462,429	-	3,462,429	3,462,429
Lease liabilities	51,236	67,548	118,784	-	-	-	118,784
Total liabilities of window general takaful operations	-	-	-	1,889,947	-	1,889,947	1,889,947
	51,236	67,548	118,784	26,212,854	-	26,212,854	26,331,638

Sensitivity analysis

For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Change in basis points	Effect on profit and loss before tax	Effect on shareholder's equity
		(Rupees in '000)	
31 December 2025	100 (100)	18,219 (18,219)	11,114 (11,114)
31 December 2024	100 (100)	13,377 (13,377)	8,160 (8,160)

38.2.3.2 Foreign currency risk

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

38.2.3.3 Other price risk

Other price risk is the risk that the fair value or 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 Company's equity investments amounting to Rs. 26,328 million are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Company limits market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets

The above investments include strategic equity investments in its subsidiary amounting to Rs. 7,613 million which is held for long term. The management monitors these strategic investments based on the underlying business and economic characteristic of the investee rather than the short term price fluctuations

The table below summarizes Company's market price risk as of 31 December 2025 and 2024. It shows the effect of a 10 % increase and 10 % decrease in the market prices of equity investments as on those dates on Company's profit and equity.

Had all equity investments, other than subsidiary / associate, been measured at fair values as required by IAS 39, Financial Instruments: Recognition and Measurement, the impact of hypothetical change would be as follows:

	Fair value	Price change	Estimated fair value	Effect on profit and loss before tax	Effect on shareholder's equity
	(Rupees in '000)				
31 December 2025	17,351,863	10 % increase	19,087,049	396,147	1,058,463
		10 % decrease	15,616,677	(396,147)	(1,058,463)
31 December 2024	8,603,348	10 % increase	9,463,683	99,963	524,804
		10 % decrease	7,743,013	(99,963)	(524,804)

38.2.4 Capital risk management

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

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

39. FAIR VALUE

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

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

Level 1 -	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 -	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 -	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Following are the assets where fair value is only disclosed and is different from their carrying value:

	2025									
	Available-for-sale	Held-for-trading	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using			
							Level 1	Level 2	Level 3	
	(Rupees in '000)									
Financial assets measured at fair value										
Investments										
Equity securities - quoted	13,390,391	3,961,472	-	-	-	17,351,863	17,351,863	-	-	
Debt securities	8,976,422	-	-	-	-	8,976,422	-	8,976,422	-	
Investment in subsidiary	7,612,613	-	-	-	-	7,612,613	7,612,613	-	-	
Debt securities of window general takaful	4,837,966	-	-	-	-	4,837,966	-	4,837,966	-	
	34,817,392	3,961,472	-	-	-	38,778,864				
Financial assets not measured at fair value										
Term deposits*	-	-	-	719,916	-	719,916				
Loans and other receivables*	-	-	1,417,936	-	-	1,417,936				
Insurance / reinsurance receivables*	-	-	6,762,856	-	-	6,762,856				
Reinsurance recoveries against outstanding claims*	-	-	8,040,266	-	-	8,040,266				
Cash at bank*	-	-	-	2,046,519	-	2,046,519				
Total financial assets of window general takaful operations*	-	-	1,906,097	838,370	-	2,744,467				
	-	-	18,127,155	3,604,805	-	21,731,960				
Total financial assets	34,817,392	3,961,472	18,127,155	3,604,805	-	60,510,824				
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*	-	-	-	-	(12,545,548)	(12,545,548)				
Insurance / reinsurance payables*	-	-	-	-	(7,114,753)	(7,114,753)				
Other creditors and accruals*	-	-	-	-	(3,886,292)	(3,886,292)				
Total financial liabilities of window takaful	-	-	-	-	(2,386,703)	(2,386,703)				
Total financial liabilities	-	-	-	-	(25,933,296)	(25,933,296)				
2024 (Restated)										
	Available-for-sale	Held-for-trading	Loan & receivables	Other financial assets	Other financial liabilities	Total	Fair value measurement using			
							Level 1	Level 2	Level 3	
	(Rupees in '000)									
Financial assets measured at fair value										
Investments										
Equity securities - quoted	7,603,722	999,626	-	-	-	8,603,348	8,603,348	-	-	
Debt securities	14,483,919	-	-	-	-	14,483,919	-	14,483,919	-	
Investment in subsidiary	8,120,149	-	-	-	-	8,120,149	8,120,149	-	-	
Debt securities of window general takaful	4,277,339	-	-	-	-	4,277,339	-	4,277,339	-	
	34,485,129	999,626	-	-	-	35,484,755				
Financial assets not measured at fair value										
Term deposits*	-	-	-	665,734	-	665,734				
Loans and other receivables*	-	-	838,852	-	-	838,852				
Insurance / reinsurance receivables*	-	-	7,634,503	-	-	7,634,503				
Reinsurance recoveries against	-	-	8,596,247	-	-	8,596,247				
Cash at bank*	-	-	-	1,673,604	-	1,673,604				
Total financial assets of window general takaful operations*	-	-	1,439,354	460,272	-	1,899,626				
	-	-	18,508,956	2,799,610	-	21,308,566				
Total financial assets	34,485,129	999,626	18,508,956	2,799,610	-	56,793,321				
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*	-	-	-	-	(13,029,997)	(13,029,997)				
Insurance / reinsurance payables*	-	-	-	-	(7,830,481)	(7,830,481)				
Other creditors and accruals*	-	-	-	-	(3,462,429)	(3,462,429)				
Total financial liabilities of window takaful	-	-	-	-	(1,889,947)	(1,889,947)				
Total financial liabilities	-	-	-	-	(26,212,854)	(26,212,854)				

*The Company has not disclosed fair values of above mentioned financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

40 STATEMENT OF SOLVENCY

Assets

	2025	2024 (Restated)
	----- (Rupees in '000) -----	
Lands and buildings	3,032,757	2,953,138
Furniture, fixtures and office equipment	296,068	247,198
Vehicles	567,482	469,436
Capital work in progress	18,417	-
Property and equipment	3,914,724	3,669,772
Investment properties	3,737,181	3,462,112
Investments in subsidiary	7,612,613	8,120,149
Investments		
Equity securities	17,351,863	8,603,348
Debt securities	8,976,422	14,483,919
Term deposits	719,916	665,734
	27,048,201	23,753,001
Loans	3,807	2,538
Current Assets - Others		
Insurance / reinsurance receivables	6,674,161	7,596,106
Amounts due from other insurers/reinsurers	88,695	38,397
Salvage recoveries accrued	115,305	92,600
Reinsurance recoveries against outstanding claims	8,040,266	8,596,247
Accrued investment income	459,918	567,764
Retirement benefits	5,953	1,680
Deferred commission expenses	1,483,625	1,510,828
Prepayments	13,025,399	10,715,960
Security deposits	242,920	234,301
Other receivables	784,084	116,066
	30,920,326	29,469,949
Cash and bank	2,116,840	1,717,797
Total assets	75,353,692	70,195,318
Total assets of window takaful operations	10,272,566	8,171,782
Total assets	85,626,258	78,367,100

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

Loans to employees	3,307	1,842
Premium due since more than three months	373,518	2,917,660
Deferred tax - Operators' fund	6,610	-
Bank deposits related to guarantees	2,043,068	1,311,076
Bank deposits related to liens	38,819	38,819
Shares in any one Company or any group of related companies	5,435,233	6,119,839
Vehicles, furnitures, fixtures, office equipments	881,967	716,634
Vehicles, furnitures, fixtures, office equipments - Operators' fund	4,461	5,530
Total of in-admissible assets	8,786,983	11,111,400

Total admissible assets

A	76,839,275	67,255,700
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Total liabilities

Underwriting provisions		
Outstanding claims including IBNR	12,545,548	13,029,997
Unearned premium reserves	20,673,685	18,315,194
Unearned reinsurance commission	348,688	329,486
Deferred taxation	1,359,217	1,426,822
Retirement benefit obligation	118,992	80,936
Premium received in advance	257,280	182,957
Insurance / reinsurance payables	7,114,753	7,830,481
Taxation - payments less provision	849,356	362,981
Other creditors and accruals	5,113,253	4,622,888
	48,380,772	46,181,742
Total liabilities of window takaful operations	8,488,447	6,747,516

Total liabilities of window takaful operations

B	56,869,219	52,929,258
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Total net admissible assets

C = A - B	19,970,056	14,326,442
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Minimum Solvency Requirement (higher of following)

D	4,246,962	4,115,959
Method A - U/s 36(3)(a)	150,000	150,000
Method B - U/s 36(3)(b)	4,246,962	4,115,959
Method C - U/s 36(3)(c)	3,589,975	3,411,208

Excess in net admissible assets over minimum requirements

E = C - D	15,723,094	10,210,483
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41. NON-ADJUSTING EVENT AFTER THE UNCONSOLIDATED FINANCIAL STATEMENT DATE

- 41.1

The Board of Directors in its meeting held on 03 March 2026 have announced a final cash dividend in respect of the year ended 31 December 2025 of Rs. 5.50 per share, 55.00 % (2024: Rs. 5.50 per share, 55.00 %). In addition, the Board of Directors have also approved the transfer to general reserve from un-appropriated profit amounting to Rs. 3,000 million (2024: Rs. 1,000 million). These unconsolidated financial statements for the year ended 31 December 2025 do not include the effect of these appropriations, which will be accounted for subsequent to the year end.
- 41.2

Subsequent to the reporting date, geopolitical tensions in the Middle East escalated significantly following the outbreak of war. As Pakistan Stock Exchange (PSX) reacted to increased uncertainty, equity markets experienced volatility, with declines observed across several scrips and sectors. The Company holds investments in publicly listed companies, that are exposed to market conditions. Preliminary assessments indicate that the fair value of certain investments may have declined after the reporting date. Management continues to monitor the situation closely and is undertaking a detailed assessment of the financial implications. As these developments arose from circumstances not existing at the balance sheet date, they represent non adjusting events as defined under IAS 10 Events after the Reporting Period.

42. NUMBER OF EMPLOYEES

The total average number of employees during the year end as at 31 December 2025 and 2024 are as follows.

	2025	2024
At year end	966	998
Average number of employees during the year	993	1,034

43. CORRESPONDING FIGURES

Corresponding figures of total assets of window takaful operations, and total liabilities and fund of window takaful operations have been restated as mentioned in note 3.26 of these unconsolidated financial statements to facilitate comparisons.

44. GENERAL

Figures have been rounded off to the nearest thousand rupees

45. DATE OF AUTHORIZATION FOR ISSUE OF UNCONSOLIDATED FINANCIAL STATEMENTS

These unconsolidated financial statements were authorized for issue by the Board of Directors in its meeting held on 03 March 2026.



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CONSOLIDATED
FINANCIAL
STATEMENTS

DIRECTORS' REPORT TO THE MEMBERS ON
CONSOLIDATED FINANCIAL STATEMENTS

We are pleased to present the consolidated financial statements of EFU General Insurance Limited and our subsidiary, EFU Life Assurance Limited (EFU Life).

Performance Review

Consolidated Gross Written Premium was Rs. 103.82 billion (including Takaful of Rs. 4.42 billion) as compared to Rs. 82.94 billion (including Takaful of Rs. 3.36 billion) for last year, net premium was Rs 67.01 billion as compared to Rs. 54.01 billion for last year and profit after tax was Rs. 6.84 billion as compared to Rs. 5.21 billion last year. The consolidated Total Assets were Rs. 380 billion (31 December 2024: Rs 335 billion) and consolidated Total Investments stood at Rs 303.75 billion (31 December 2024: Rs. 266.67 billion).

Movement of Reserves

	Rupees '000
	December 31, 2025 (Audited)
Unappropriated profit brought forward	1,962,523
Profit attributable to ordinary shares	5,483,820
Other Comprehensive loss	(101,627)
Transferred from surplus on revaluation of property and equipment (net of tax)	30,139
Acquisition by Non-Controlling Interest (NCI) without a change in control	(11,641)
	5,400,691
Profit before appropriations	7,363,214
Appropriations	
Cash dividend - Final 2024	(1,100,000)
Cash dividend - 1st Interim 2025	(300,000)
Cash dividend - 2nd Interim 2025	(300,000)
Cash dividend - 3rd Interim 2025	(300,000)
Transfer to General Reserve	(1,000,000)
	(3,000,000)
Unappropriated Profit carried forward	4,363,214
Earnings per Share	28.24

EMPHASIS OF OUR SUBSIDIARY COMPANY MATTER PARAGRAPH

Statutory auditors, without modifying the audit opinion, have added an emphasis of matter paragraph in the audit report in respect of the following issue:

The Honorable Sindh High Court has dismissed the case with direction to re approach Sindh Revenue Board on the matter of taxability of life and health insurance. The subsidiary along with other insurance companies through Insurance Association of Pakistan has filed a constitutional petition in the

Honorable Supreme Court of Pakistan.

Furthermore, the liability relating to sales tax amounting to Rs. 7,942 million has not been recognized in the financial statements as management along with its legal counsel are confident that the final outcome will be in favor of the Group.

Economic Review

Pakistan's economy demonstrated sustained resilience, with real GDP growth at 2.7% for FY2025, building upon the stabilization in the previous year. The external sector remained strong, with the current account posting an unprecedented surplus, supported by record-high workers' remittances. These positive indicators, coupled with a sharp decline in average inflation to roughly 4.5%, enabled the State Bank of Pakistan (SBP) to maintain its easing cycle, reducing the policy rate from 13% to 10.5% by December 2025.

Subsequent Events

Subsequent to the reporting date, geopolitical tensions in the Middle East escalated significantly following the outbreak of war. As Pakistan Stock Exchange (PSX) reacted to increased uncertainty, equity markets experienced volatility, with declines observed across several scrips and sectors. The Company holds investments in publicly listed companies, that are exposed to market conditions. Preliminary assessments indicate that the fair value of certain investments may have declined after the reporting date. Management continues to monitor the situation closely and is undertaking a detailed assessment of the financial implications.

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Director

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

MARCH 3, 2026

ذیلی کمپنی سے متعلق توجہ دلانے والا پیرا گراف

قانونی آڈیٹرز نے اپنے آڈٹ رائے میں کسی قسم کی ترمیم کیے بغیر، آڈٹ رپورٹ میں درج ذیل معاملے کے حوالے سے توجہ دلانے والا پیرا گراف شامل کیا ہے:

معزز سندھ ہائی کورٹ نے لائف اور ہیلیتھ انشورنس کی ٹیکسیشن کے معاملے پر کیس کو یہ ہدایت دیتے ہوئے خارج کر دیا ہے کہ اس سلسلے میں سندھ ریونیو بورڈ سے دوبارہ رجوع کیا جائے۔ ذیلی کمپنی نے دیگر انشورنس کمپنیوں کے ساتھ مل کر، انشورنس ایسوسی ایشن آف پاکستان کے ذریعے، اس معاملے پر معزز سپریم کورٹ آف پاکستان میں آئینی درخواست دائر کر رکھی ہے۔

مزید برآں، سیلر ٹیکس کی مد میں ۷،۹۴۲ ملین روپے کی ذمہ داری مالی بیانات میں تسلیم نہیں کی گئی ہے، کیونکہ انتظامیہ اور ان کے قانونی مشیران کو یقین ہے کہ حتمی فیصلہ گروپ کے حق میں آئے گا۔

اقتصادی جائزہ:

پاکستان کی معیشت نے مالی سال ۲۰۲۵ء کے دوران استحکام کا تسلسل برقرار رکھا اور حقیقی جی ڈی پی کی شرح نمو ۲.۷ فیصد رہی، جو گزشتہ سال حاصل ہونے والے معاشی استحکام پر مزید پیش رفت کی عکاسی کرتی ہے۔ بیرونی شعبہ مضبوط رہا اور کرنٹ اکاؤنٹ نے غیر معمولی خاص (رقم) درج کی گئی، جس کی بنیاد بیرون ملک مقیم پاکستانیوں کی ریکارڈ ترسیلات زر پر رہی۔ ان مثبت اشاریوں کے ساتھ اوسط افراط زر میں نمایاں کمی ہو کر تقریباً ۵.۲ فیصد تک آنا بھی شامل ہے، جس کے نتیجے میں اسٹیٹ بینک آف پاکستان نے اپنی زری پالیسی میں نرمی کا سلسلہ جاری رکھا اور دسمبر ۲۰۲۵ء تک پالیسی ریٹ کو ۱۳ فیصد سے کم کر کے ۱۰.۷۵ فیصد تک لے آیا۔

بعد ازاں پیش آنے والے واقعات:

تاریخ رپورٹ کے بعد مشرق وسطیٰ میں جنگ کے آغاز کے باعث خطے میں جغرافیائی سیاسی کشیدگی میں نمایاں اضافہ ہوا۔ اس صورتحال کے اثرات پاکستان اسٹاک ایکسچینج (PSX) پر بھی دیکھنے میں آئے، جہاں غیر یقینی صورتحال کے باعث ایکویٹی مارکیٹ میں اتار چڑھاؤ پیدا ہوا اور مختلف حصص اور شعبوں میں کمی دیکھی گئی۔ کمپنی کی سرمایہ کاری بعض ایسی فہرست شدہ کمپنیوں میں ہے جو براہ راست مارکیٹ کی صورتحال سے متاثر ہوتی ہیں۔ ابتدائی جائزوں سے اندازہ ہوتا ہے کہ رپورٹنگ کی تاریخ کے بعد کچھ سرمایہ کاریوں کی منصفانہ مالیت میں کمی آسکتی ہے۔ انتظامیہ اس صورتحال پر مسلسل نظر رکھے ہوئے ہے اور ممکنہ مالی اثرات کا تفصیلی جائزہ لیا جا رہا ہے۔

سیف الدین این ڈومکا والا
چیئر مین

امران ارشد انعام
مینجنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

ڈائریکٹر

ڈائریکٹر

۳ مارچ ۲۰۲۶ء

مجموعی مالیاتی حسابات پر شیئر ہولڈرز کیلئے ڈائریکٹرز کی رپورٹ

ہم بمسرت ای ایف یو جنرل انشورنس لمیٹڈ اور اپنے ذیلی ادارے ای ایف یو لائف انشورنس کمپنی لمیٹڈ (ای ایف یو لائف) کے مالیاتی حسابات یکجا کر کے پیش کر رہے ہیں۔

کارکردگی کا جائزہ:

یکجا شدہ مجموعی تحریری پریمیم ۸۲،۱۰۳ ملین روپے رہا (جس میں ۴،۴۲ ملین روپے تکافل شامل ہے)، جبکہ گزشتہ سال یہ ۸۲،۹۴ ملین روپے تھا (جس میں ۳،۳۶ ملین روپے تکافل شامل تھا)۔ خالص پریمیم آمدنی ۶۷،۶۰۱ ملین روپے رہی، جبکہ گزشتہ سال یہ ۵۴،۰۱۱ ملین روپے تھی۔ بعد از ٹیکس منافع ۶،۸۴ ملین روپے رہا، جبکہ گزشتہ سال یہ ۵،۲۱۱ ملین روپے تھا۔ مجموعی اثاثے ۳۸۰ ملین روپے رہے (۳۱ دسمبر ۲۰۲۴ء: ۳۳۵ ملین روپے)، جبکہ مجموعی سرمایہ کاری ۷۵،۳۰۳ ملین ارب روپے رہی (۳۱ دسمبر ۲۰۲۴ء: ۶۷،۶۶۶ ملین روپے)۔

اثاثہ جات کی نقل و حمل:

روپے ہزاروں میں	
۳۱ دسمبر ۲۰۲۵ء (آڈٹ شدہ)	
۱،۹۶۴،۵۲۳	آگے منتقل کئے جانے والے غیر مختص شدہ منافع
۵،۴۸۳،۸۲۰	عمومی شیئرز سے منسوب منافع
(۱۰۱،۶۲۷)	دیگر مجموعی خسارہ
۳۰،۱۳۹	پراپرٹی اور ایکویٹمنٹ کی ری ویلیوایشن پر سرپلس سے منتقل شدہ
(۱۱،۶۴۱)	کنٹرول میں کسی تبدیلی کے بغیر نان۔ کنٹرولنگ انٹرسٹ (این سی آئی) کا حصول
۵،۴۰۰،۶۹۱	مختص کردہ دستیاب منافع
۷،۳۶۳،۲۱۴	مختص کردہ تناسب
(۱،۱۰۰،۰۰۰)	نقد منافع منقسمہ۔ حتیٰ ۲۰۲۴ء
(۳۰۰،۰۰۰)	نقد منافع منقسمہ۔ پہلا عبوری ۲۰۲۵ء
(۳۰۰،۰۰۰)	نقد منافع منقسمہ۔ دوسرا عبوری ۲۰۲۵ء
(۳۰۰،۰۰۰)	نقد منافع منقسمہ۔ تیسرا عبوری ۲۰۲۵ء
(۱،۰۰۰،۰۰۰)	جنرل ریزرو میں منتقلی
(۳،۰۰۰،۰۰۰)	آگے منتقل کیا جانے والا غیر مختص شدہ منافع
۴،۳۶۳،۲۱۴	آمدنی فی شیئر (روپے)
۲۸،۶۲۴	



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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated Financial Statements

To the members of EFU General Insurance Limited

Opinion

We have audited the annexed consolidated financial statements of **EFU General Insurance Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at **31 December 2025**, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated cash flow statement for the year then ended, and notes to the consolidated 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 consolidated statement of financial position, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated cash flow statement together with the notes, comprising material accounting policy information and other explanatory information forming part thereof confirm 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 Group's affairs as at **31 December 2025** and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 24.2.3, and 24.4.1 of the financial statements, which describes that the Subsidiary along, with other insurance companies, had earlier challenged the scope and applicability of provincial sales tax on services on premium received through insurance business in provincial High Courts.



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The Honorable Sindh High Court has dismissed the case with direction to reapproach Sindh Revenue Board on the matter of taxability of life insurance. The subsidiary along with other insurance companies through Insurance Association of Pakistan has filed a constitutional petition in the Honorable Supreme Court of Pakistan. The hearing is yet to be scheduled.

Furthermore, the liability relating to sales tax amounting to Rs. 9,561.15 million has not been recognized in the financial statements as management along with its legal counsel are confident that the final outcome will be in favor of the Group.

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

Key Audit Matters

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

Following are the key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	Insurance liabilities and outstanding claims including Incurred but not reported	
	The Group's liability relating to insurance liabilities and outstanding claims including Incurred but not reported amounts to Rs. 290,241 million. Valuation of these liabilities is highly judgmental because it requires a number of assumptions to be made with high estimation uncertainty such as loss ratios, estimates of the frequency and severity of claims. Furthermore, the Group also maintains a provision for claims including IBNR based on the advice of an independent actuary. The determination and application of the methodology and performance of the calculations are also complex.	Our audit procedures amongst other procedures included the following: - Obtaining an understanding of the Group's process and evaluating the design and implementation of key controls in recognition and valuation of insurance liabilities. - Assessing the appropriateness of the Group's accounting policy for recognition and measurement of insurance liabilities, in compliance with applicable accounting and reporting standards. - Assessing the consistency of the methods used for calculation of the IBNR claims and assumptions for the valuation parameters at 31 December 2025 to establish whether these had been subject



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S. No.	Key audit matters	How the matters were addressed in our audit
	Due to the significant judgment and estimation required to determine the obligations relating to outstanding claims including IBNR, we consider it to be a Key Audit Matter. Refer to note 3.15, 3.23, 19 and 26 to the consolidated financial statements relating insurance liabilities.	to any arbitrary discontinuities from those used at 31 December 2024. - Performing procedures to evaluate the accuracy, completeness and reliability of the underlying data utilized for the purposes of measurement by reference to its source. - Inspecting the report submitted by the Appointed Actuary for the year ended 31 December 2025, to the Board of Directors of the Group in respect of the insurance liabilities and the related methods and assumptions used for this purpose. - Appointing an independent actuarial expert to assess the reasonableness of assumptions and methods used by the management's expert in the valuation of insurance liabilities. Our procedures also included evaluating the adequacy of the work performed by our independent appointed actuarial expert. - Assessing the appropriateness of disclosures made in the consolidated financial statements to ascertain whether these are in compliance with the applicable accounting and reporting standards.
2.	Existence, valuation, and impairment of investments	
	The investments of Rs 303,902 million as at 31 December 2025 held by the Group. The Group's investment portfolio comprises of government debt securities, equity securities, associates, other fixed income securities and term	Our audit procedures amongst other procedures included the following: Obtaining an understanding of the Group's process for valuation and classification of investments and evaluating the design and implementation of key controls over the process relating to valuation and classification of the



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S. No.	Key audit matters	How the matters were addressed in our audit
	deposits. We identified the existence, valuation, and impairment of investments as a key audit matter due to the material significance of investments relative to the Group's total asset size, as well as the inherent complexity involved in evaluating the valuation methodologies and assessing potential impairment of the investment portfolio. Refer to note 8 to 12 to the consolidated financial statements and the accounting policies in note 3.14 and 3.27 for investments.	investments. - Obtaining independent confirmations to verify the existence of the investment portfolio as at 31 December 2025 and reconciling the contents of the reply with the books and records of the Group. In that instance, where confirmations were not received, alternate audit procedures were performed. Comparing the external statements of security custodian (CDC/IPS) with the books and records of the Group to assess whether the number of scripts have been accurately recorded by the Group. - Performing recalculation by using the data and inputs used in the valuation to assess the accuracy of carrying value of investments at the reporting date. - Evaluating whether the impairment loss in respect of the available for sale securities has been appropriately recognized and is in compliance with applicable financial reporting standards. - Assessing the appropriateness of the accounting policy adopted by the Group for compliance with the requirements of applicable financial reporting framework. - Assessing the appropriateness of disclosures made in the consolidated financial statements to ascertain whether these are in compliance with the applicable accounting and reporting standards.



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3.	Premium
	The Group generates its income primarily from premiums. Written gross premium from insurance policies amounts to Rs. 99,398 million. We identified premiums as a key audit matter because it is a key performance indicator of the Group and possess a risk of overstatement by recording transactions that may not have occurred. Refer notes 3.12.1 and 25 to the annexed consolidated financial statements relating to premiums.
	Our audit procedures amongst other procedures included the following: • Obtaining an understanding of the Group process for recognition of premium and evaluating the design and implementation of key controls involved in the process of capturing, processing and recording of premiums. • Comparing, using an appropriate sample of premium earned from the underlying policies issued to evaluate appropriateness of recognized premium during the year. • Assessing the appropriateness of the Group's accounting policy for recognition of premium, in compliance with applicable accounting and reporting standards. • Using an appropriate sample, tested premium receipts for life assurance business to evaluate whether the premium amounts have been received from the policyholders before the recognition of premiums (other than group life and health insurance / takaful) as required under Insurance Ordinance, 2000. • Using an appropriate sample, tested premium underwritten for general insurance contracts close to year end and subsequent to year end to evaluate that premiums was recognized in the appropriate accounting year in compliance with the applicable accounting and reporting standards. • Recalculating the unearned portion of premium underwritten and ensuring that the appropriate amount is recorded in the current year.



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4.	Impairment of goodwill
	The Group's intangible assets includes goodwill with carrying value of Rs. 2,249 million, as at 31 December 2025 in relation to its Subsidiary Company. During the year, the Group has recognized an impairment of Rs. 886 million against such goodwill. The impairment test of goodwill is considered to be a key audit matter due to involvement of significant judgement and relating impact on the consolidated financial statements. Refer to note 3.1 and 6.1.1 to the consolidated financial statements for impairment of goodwill.
	• Assessing the appropriateness of the Group's accounting policy for testing of goodwill for impairment in accordance with the requirements of the applicable accounting and reporting standards. • Obtaining and inspecting management's calculation of recoverable amount of CGU (EFU Life Assurance Limited) to assess whether goodwill has been appropriately allocated to relevant CGU. • Repperforming calculation of fair value less cost of disposal, by using the quoted price in the active market i.e., Pakistan Stock Exchange, where securities of the CGU are listed. • Evaluating the reasonableness of input data, relevant assumptions and methods used in management's calculation of Value in use (VIU). • Evaluating whether the recoverable amount of CGU has been calculated at higher of fair value less cost to sell and Value in use and the corresponding impairment has been appropriately recognized in the consolidated financial statements. • Assessing the appropriateness of disclosures made in the consolidated financial statements to ascertain whether these are in compliance with the applicable accounting and reporting standards.



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

Management is responsible for the other information. The other information comprises of Chairman's review, Directors' report and key operating and financial data, horizontal analysis, vertical analysis and statement of value addition and its distribution included in the annual report but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.



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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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



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From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated 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.

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

Date: 6 March 2026

Karachi

UDIN: AR20251009689RA5PufM


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Chartered Accountants

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	31 December 2025	31 December 2024 (Restated) (Rupees in '000)	01 January 2024 (Restated)
Assets				
Property and equipment	5	10,572,513	9,882,972	9,666,189
Intangible assets including goodwill	6	2,508,741	3,556,100	5,598,587
Investment properties	7	3,737,181	3,462,112	3,191,970
Investment in associate	8	152,349	-	-
Investments				
Equity securities	9	85,226,773	52,374,558	25,880,151
Debt securities	10	200,151,592	206,603,076	175,305,523
Term deposits	11	4,086,645	1,013,163	8,405,112
Open-ended mutual funds	12	14,285,039	6,683,483	2,718,416
Loans and other receivables	13	7,342,765	5,291,518	4,953,865
Insurance / reinsurance receivables	14	9,847,378	9,025,969	9,691,208
Reinsurance recoveries against outstanding claims	26	8,040,266	8,596,247	7,009,843
Salvage recoveries accrued		115,305	92,600	99,276
Deferred commission expense	27	1,483,625	1,510,828	1,491,266
Retirement benefit	20	5,953	1,680	88,193
Taxation - payments less provision		1,091,946	794,827	335,088
Prepayments	15	13,172,413	10,864,107	12,663,930
Cash and bank	16	7,985,510	7,387,415	7,341,653
		369,805,994	327,140,655	274,440,270
Total assets of window general takaful operations		10,272,566	8,171,782	6,785,688
Total assets		380,078,560	335,312,437	281,225,958
Equity and liabilities				
Ordinary share capital	17.2	2,000,000	2,000,000	2,000,000
Reserves	17.3	19,944,850	18,975,730	15,625,981
Unappropriated profit	17.3	4,363,214	1,962,523	1,424,395
Equity attributable to equity holders of the Parent		26,308,064	22,938,253	19,050,376
Non-controlling interest	39	6,029,685	5,677,325	4,327,868
Total equity		32,337,749	28,615,578	23,378,244
Surplus on revaluation of property and equipment	18	2,487,310	2,333,439	2,266,140
Liabilities				
Insurance liabilities - life insurance business	19	277,695,035	242,256,860	196,524,888
Underwriting provisions - general insurance business				
Outstanding claims including IBNR	26	12,545,548	13,029,997	10,774,706
Unearned premium reserves	25	20,673,685	18,315,194	19,546,386
Unearned reinsurance commission	27	348,688	329,486	302,821
Retirement benefit obligations	20	118,992	80,936	44,238
Deferred taxation	21	4,940,644	4,935,999	3,983,524
Premium received in advance		2,632,355	2,355,594	1,940,090
Insurance / reinsurance payables	22	7,640,394	8,022,899	9,674,489
Other creditors and accruals	23	10,169,713	8,288,939	7,014,766
		59,070,019	55,359,044	53,281,020
Total liabilities		336,765,054	297,615,904	249,805,908
		371,590,113	328,564,921	275,450,292
Total liabilities of window general takaful operations		8,488,447	6,747,516	5,775,666
Total equity and liabilities		380,078,560	335,312,437	281,225,958
Contingencies and commitments	24			

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

TAHER G. SACHAK Director	HASANALI ABDULLAH Director	NAJMUL HODA KHAN Chief Financial Officer	KAMRAN ARSHAD INAM Managing Director & Chief Executive Officer	SAIFUDDIN N. ZOOMKAWALA Chairman
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CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2025

	Note	2025	2024
			(Restated)
		----- (Rupees in '000) -----	
Net insurance premium	25	67,013,975	54,012,884
Net insurance claim expenses	26	(55,115,961)	(46,941,753)
Net commission and other acquisition cost	27	(13,753,678)	(10,362,006)
Insurance claims and acquisition expenses		(68,869,639)	(57,303,759)
Management expenses	28	(8,574,227)	(8,408,536)
Underwriting results		(10,429,891)	(11,699,411)
Investment income	29	34,016,099	41,322,778
Net realized fair value gains on financial assets	30	1,714,808	1,611,232
Net fair value gains on financial assets at fair value	31	20,398,026	21,106,155
Net change in insurance liabilities		(34,150,965)	(43,082,651)
Rental income	32	138,738	128,901
Other income	33	534,243	897,337
Change in fair value of investment properties	7	269,247	269,721
Impairment of goodwill	6.1.1	(886,065)	(1,689,850)
Other expenses	34	(419,728)	(368,101)
		21,614,403	20,195,522
Results of operating activities		11,184,512	8,496,111
Finance cost		(156,965)	(92,180)
Share of profit of associate	8	2,349	-
Profit from window general takaful operations - Operator's fund	35	608,722	654,501
Profit before tax		11,638,618	9,058,432
Taxation	36	(4,800,443)	(3,844,995)
Profit after tax		6,838,175	5,213,437
Profit attributable to:			
Equity holders of the Parent		5,648,061	3,781,449
Non-controlling interest	39.2	1,190,114	1,431,988
		6,838,175	5,213,437
Earnings per share - Rupees	37	28.24	18.91

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

TAHER G. SACHAK Director	HASANALI ABDULLAH Director	NAJMUL HODA KHAN Chief Financial Officer	KAMRAN ARSHAD INAM Managing Director & Chief Executive Officer	SAIFUDDIN N. ZOOMKAWALA Chairman
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025	2024
			(Restated)
		(Rupees in '000)	
Profit after tax		6,838,175	5,213,437
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss account			
Unrealized (loss) / gain in available-for-sale investments during the year - net	9	(151,648)	2,223,450
Unrealized (loss) / gain from window takaful operations			
- Operator's fund - net		(11,372)	15,187
Total unrealized (loss) / gain for the year		(163,020)	2,238,637
Effect of translation of foreign branches - net		1,940	(3,958)
Item not to be reclassified to profit and loss account in subsequent years			
Actuarial losses on defined benefit plans - net	20	(101,627)	(84,933)
Other comprehensive (loss) / income for the year		(262,707)	2,149,746
Total comprehensive income for the year		6,575,468	7,363,183
Total comprehensive income attributable to:			
Equity holders of the Parent		5,351,313	5,881,735
Non-controlling interest	39	1,224,155	1,481,448
		6,575,468	7,363,183

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025

	Note	2025	2024
			(Restated)
		(Rupees in '000)	
Operating cash flows			
a) Underwriting activities			
Insurance premium / contribution received		100,188,334	81,451,426
Reinsurance premium / retakaful contribution paid		(29,735,698)	(24,538,748)
Claims paid		(60,672,837)	(51,123,518)
Reinsurance and other recoveries received		2,659,631	3,073,592
Commission paid		(8,985,013)	(7,646,729)
Commission received		693,814	662,222
Management expenses paid		(13,352,374)	(11,212,183)
Net cash flow used in underwriting activities		(9,204,143)	(9,333,938)
b) Other operating activities			
Income tax paid		(4,957,517)	(4,544,026)
Other operating payments		(1,437,216)	(380,096)
Other operating receipts		389,567	525,297
Loans advanced		(589,220)	(595,548)
Loans repayments received		579,297	645,640
Net cash flow used in other operating activities		(6,015,089)	(4,348,733)
Total cash flow used in all operating activities		(15,219,232)	(13,682,671)
Investment activities			
Profit / return received		26,858,350	38,915,371
Dividend received		4,782,860	3,926,192
Rentals received		132,470	186,588
Payment for investments		(254,939,198)	(228,378,221)
Proceeds from investments		246,101,047	194,768,971
Fixed capital expenditures		(1,223,191)	(1,213,229)
Proceeds from sale of property and equipment		296,829	401,552
Total cash flow generated from investing activities		22,009,167	8,607,224
Financing activities			
Payments against lease liabilities		(317,866)	(274,069)
Dividends paid		(2,812,174)	(2,770,893)
Total cash flow used in financing activities		(3,130,040)	(3,044,962)
Net cash flow generated from / (used in) all activities		3,659,895	(8,120,409)
Cash and cash equivalents at beginning of the year		8,080,246	16,200,655
Cash and cash equivalents at end of the year	16.4	11,740,141	8,080,246
Reconciliation to profit and loss account			
Operating cash flows		(15,219,232)	(13,682,671)
Depreciation / amortization expense	5.1 & 5.1.1	(1,612,124)	(1,842,507)
Finance cost		(156,965)	(93,010)
Profit on sale of property and equipment	33	207,349	311,755
Gain on sale of investments	29	4,130,772	2,402,327
Rental income	32	138,738	128,901
Dividend income	29	4,782,860	3,922,309
Other investment income	29	28,577,082	38,078,220
Profit on lease termination	33	4,951	33,909
Profit on deposits	33	263,419	498,433
Other income	33	34,995	28,936
Appreciation in market value of investments	29	20,368,115	21,128,015
Reversal / (charge) of impairment in the value of available-for-sale equity investments	29	30,484	(20,645)
Increase / (decrease) in assets other than cash		6,285,281	(1,237,445)
Increase in liabilities other than running finance		(40,989,454)	(43,677,462)
Profit from window general takaful operations - Operator's fund		6,229,453	4,558,936
Profit after tax		608,722	654,501
		6,838,175	5,213,437

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to equity holders of the Company									Total
	Capital reserves					Revenue reserves		Equity attributable to equity holders of Parent	Non-controlling interest	
	Share capital	Reserve for exceptional losses	Unrealized gain / (loss) on revaluation of available-for-sale investments-net	Exchange translation reserve-net	Unrealized gain / (loss) on fair value of investment properties-net	General reserve	Unappropriated profit			
-(Rupees in '000)										
Balance as at 01 January 2024	2,000,000	12,902	614,826	195,722	1,802,531	13,000,000	1,424,395	19,050,376	4,327,868	23,378,244
Total comprehensive income for the year ended 31 December 2024										
Profit after tax - (Restated)	-	-	-	-	164,530	-	3,616,919	3,781,449	1,431,988	5,213,437
Other comprehensive income	-	-	2,189,177	(3,958)	-	-	(84,933)	2,100,286	49,460	2,149,746
	-	-	2,189,177	(3,958)	164,530	-	3,531,986	5,881,735	1,481,448	7,363,183
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net	-	-	-	-	-	-	28,513	28,513	22,205	50,718
Acquisition of NCI without a change in control	-	-	-	-	-	-	(22,371)	(22,371)	658,105	635,734
Transactions with owners recorded directly in equity										
Final dividend for the year 2023 at the rate of Rs. 5.50 (55.00%) per share	-	-	-	-	-	-	(1,100,000)	(1,100,000)	-	(1,100,000)
Final dividend for the year 2023 at the rate of Rs. 10.50 (105.00%) per share	-	-	-	-	-	-	-	-	(551,764)	(551,764)
1st Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)	(87,924)	(387,924)
2nd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)	(86,480)	(386,480)
3rd Interim dividend paid for the year 2024 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)	(86,133)	(386,133)
Other transfer within equity										
Transfer to general reserve						1,000,000	(1,000,000)	-	-	-
Balance as at 31 December 2024 (Restated)	2,000,000	12,902	2,804,003	191,764	1,967,061	14,000,000	1,962,523	22,938,253	5,677,325	28,615,578
Balance as at 01 January 2025	2,000,000	12,902	2,804,003	191,764	1,967,061	14,000,000	1,963,736	22,939,466	5,678,794	28,618,260
Adjustments refer to note 1.5	-	-	-	-	-	-	(1,213)	(1,213)	(1,469)	(2,682)
Balance as at 01 January 2025 (restated)	2,000,000	12,902	2,804,003	191,764	1,967,061	14,000,000	1,962,523	22,938,253	5,677,325	28,615,578
Total comprehensive income for the year ended 31 December 2025										
Profit after tax	-	-	-	-	164,241	-	5,483,820	5,648,061	1,190,114	6,838,175
Other comprehensive loss	-	-	(197,061)	1,940	-	-	(101,627)	(296,748)	34,041	(262,707)
	-	-	(197,061)	1,940	164,241	-	5,382,193	5,351,313	1,224,155	6,575,468
Transferred from surplus on revaluation of property and equipment on account of incremental depreciation - net	-	-	-	-	-	-	30,139	30,139	19,453	49,592
Acquisition of NCI without a change in control	-	-	-	-	-	-	(11,641)	(11,641)	(31,269)	(42,910)
Transactions with owners recorded directly in equity										
Final dividend for the year 2024 at the rate of Rs. 5.50 (55.00%) per share	-	-	-	-	-	-	(1,100,000)	(1,100,000)	-	(1,100,000)
Final dividend for the year 2024 at the rate of Rs. 10.50 (105.00%) per share	-	-	-	-	-	-	-	-	(602,930)	(602,930)
1st Interim dividend paid for the year 2025 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)	(85,683)	(385,683)
2nd Interim dividend paid for the year 2025 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)	(85,683)	(385,683)
3rd Interim dividend paid for the year 2025 at the rate of Rs. 1.50 (15.00%) per share	-	-	-	-	-	-	(300,000)	(300,000)	(85,683)	(385,683)
Other transfer within equity										
Transfer to general reserve	-	-	-	-	-	1,000,000	(1,000,000)	-	-	-
Balance as at 31 December 2025	2,000,000	12,902	2,606,942	193,704	2,131,302	15,000,000	4,363,214	26,308,064	6,029,685	32,337,749

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman

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EFU GENERAL INSURANCE LTD

Karachi 03 March 2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

These consolidated financial statements comprises the Holding Company (EFU General Insurance Limited) and its Subsidiary (EFU Life Assurance company Limited) together referred as the Group. The Group is primarily involved in insurance business (General and Life assurance).

1.1 EFU General Insurance Limited (the Holding Company) has assessed its control position in relation to its investments in EFU Life Assurance Limited (the Subsidiary Company) after its agreement with some shareholders of EFU Life Assurance Limited effective 31 March 2018, accordingly it has been concluded that the Holding Company has the ability to control the composition of the Board of Directors of EFU Life Assurance Limited, therefore EFU Life Assurance Limited has become the subsidiary of the Holding Company from 31 March 2018. The consolidated financial statements have been prepared and are presented as per the requirements of Section 228 of the Companies Act 2017.

1.2 The group comprises of:

1.2.1 EFU General Insurance Limited (Holding Company)

EFU General Insurance Limited was incorporated as a public limited company on 02 September 1932. The Holding Company is registered under Companies Act, 2017 and is listed on the Pakistan Stock Exchange Limited, engaging in non-life insurance business comprising of fire and property damage, marine, aviation and transport, motor, miscellaneous.

The Registered Office of the Holding Company is situated in Kamran Centre, 1st Floor 85 East, Jinnah Avenue Blue Area Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. The Holding Company was granted authorization on 16 April 2015 under Rule 6 of Takaful Rules, 2012 to undertake Window Takaful Operations (WTO) in respect of general takaful products by the Securities and Exchange Commission of Pakistan (SECP) and subsequently the Holding Company commenced Window Takaful Operations on 6 May 2015. The Holding Company operates through 30 (2024: 30) branches in Pakistan including a branch in Export Processing Zone (EPZ).

1.2.2 EFU Life Assurance Limited (Subsidiary Company)

EFU Life Assurance Limited with 45.60 % effective holding was incorporated as public limited company on 09 August 1992 and started its operations from 18 November 1992. The Subsidiary Company is listed on Pakistan Stock Exchange Limited and is engaged in life insurance business including ordinary life business, pension fund business and accident and health business and has established following statutory funds, as required by the Insurance Ordinance, 2000:

- Investment linked business (includes individual life business)
- Conventional business (includes group life and individual life businesses)
- Pension business (unit-linked) *
- Accident and health business
- Family takaful investment linked business
- Family takaful accidental and health business
- Family takaful protection business
- Participating business

* The Subsidiary Company has discontinued pension business and accordingly no new business has been written under this fund.

The Registered Office of the Subsidiary Company is located at Al-Malik Centre, 70W, F-7/G-7 Jinnah Avenue, Islamabad while principal place of business is located at Plot No.112, 8th East Street, Phase 1, DHA, Karachi. The Subsidiary Company commenced Window Takaful Operations on 06 February 2015 as per Securities and Exchange Commission of Pakistan (SECP) Takaful Rules, 2012.

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1.3 Acquisition and merger of EFU Health Insurance Limited into EFU Life Assurance Limited (Subsidiary)

1.3.1 The Board of Directors of the Subsidiary Company in their Board meeting held on 28 September 2023 and subsequently in EOGM held on 23 October 2023 approved the acquisition of 100% shares of EFU Health Insurance Limited against issuance of 5 million ordinary shares of face value Rs. 10/- each without rights of the Subsidiary Company to EFU Services (Private) Limited and sponsors of EFU Health Insurance Limited under Share Subscription and Purchase Agreement in satisfaction of the consideration equal to Rs. 500,000,000 at a SWAP ratio of 1 ordinary share of the Subsidiary Company against every 10 ordinary shares of EFU Health Insurance Limited.

- On 01 April 2024, pursuant to the approvals of the Board and after obtaining all the requisite corporate and regulatory approvals and compliance with all the applicable laws and regulation, the Subsidiary Company has acquired 100 % i.e., 50 million ordinary voting shares and control of EFU Health Insurance Limited from sponsors and other shareholders of EFU Health Insurance Limited through Share Purchase Agreement (SPA).
- On 15 April 2024, the Board of directors of the Subsidiary Company approved merger of EFU Health Insurance limited (a fully owned subsidiary) with the Subsidiary Company through scheme of Amalgamation under section 284 of the Companies Act 2017. The effective date of merger was set on 01 May 2024 in the said scheme of Amalgamation.

The Subsidiary Company acquired the control over EFUH through Share Swap Arrangement in the year 2024:

	Date of Acquisition	Number of shares Acquired	Proportion of Voting equity Interest acquired
Acquired through Share Swap Arrangements	01 Apr 2024	50,000,000	100%

1.3.2 EFU Health Insurance Limited (EFUH) was incorporated in Pakistan on 15 May 2000 as a Public Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and had its registered office at 37-K, Block-6, PECH Society, Karachi. The principal activity of EFUH is to sell Health Insurance cover in Pakistan.

EFUH was authorized to undertake Window Takaful Operations (WTO) on 14 March 2017 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations in Pakistan. EFUH commenced Window Takaful Operations on 01 April 2017.

1.3.3 Business Combination of EFUL

On 01 April 2024, the Subsidiary Company obtained control of EFUH by holding 100% of the total shareholding of EFUH. Therefore, the effective date of business combination is considered to be 01 April 2024.

1.3.4 Purchase consideration

Fair value per share of the Subsidiary Company was calculated at Rs 137.26 per share

Total number of shares issued (Number in '000)	5,000
Value per share (Rupees)	137.26
Total value of consideration transferred (Value per share Rs. 137.26) (Rupees in '000)	686,323

The values used for the computation of SPA were not materially different from the fair value of assets and liabilities.

1.3.5 Fair Value of previously held interest

IFRS 3 requires that in a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition date fair value and recognize the resulting gain or loss in statement of profit and loss.

There was no previously held equity interest in EFUH.

1.3.6 Fair value of net identifiable assets acquired under business combination

International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognized and carried at fair values.

IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the accounting for business combination. Identified assets acquired, liabilities assumed or incurred have been carried at the fair value as at the acquisition date. The fair valuation exercise will be completed within the period of one year as allowed under IFRS 3. Any adjustment arising at the time of finalization of this exercise will be incorporated with retrospective effect from the date of acquisition. In the financial statements for the year ended 31 December 2024, the EFUL had recorded the net assets of the Business Combination on provisional values which have been finalized in the current period.

Financial statements that were used for the purpose of carrying out fair valuation exercise as at 30 April 2024 were separate financial statements of EFUH.

The fair values and carrying amounts of net identifiable assets acquired are as follows:

	Carrying Amounts	Fair Value adjustments (Rupees in '000)	Fair Values
Assets			
Property and equipment	109,869	101,820	211,689
Intangible assets	1,627	37,376	39,003
Investments	1,204,818	-	1,204,818
Loans and other receivables	116,801	-	116,801
Insurance / reinsurance receivables	901,377	-	901,377
Reinsurance recoveries against outstanding claims	115,081	-	115,081
Taxation - payment less provision	22,086	-	22,086
Prepayments	761,339	-	761,339
Cash and bank	913,031	-	913,031
Total assets	4,146,029	139,196	4,285,225
Liabilities			
Insurance Liabilities	2,972,421	-	2,972,421
Premium received in advance	84,743	-	84,743
Deferred taxation	(7,099)	39,710	32,611
Insurance/reinsurance payables	289,138	-	289,138
Other creditors and accruals	220,563	-	220,563
Total Liabilities	3,559,766	39,710	3,599,476
Net assets	586,263	99,486	685,749
Goodwill on business combination:			(Rupees in '000)
Consideration transferred			686,323
Less: Fair value of net identifiable assets acquired as of merger date			(685,749)
Goodwill on business combination			574

1.3.7 Measurement of fair values:

Asset Acquired	Valuation Technique
Property and equipment	The valuation experts used a market based approach to arrive at the fair value of the Group's property and equipment. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar assets.
Intangible assets	The multiple-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationship, by excluding any cash flows related to contributory assets.
Deferred tax liabilities	Deferred tax liabilities arising from the assets acquired and liabilities assumed in the acquisition of EFUH have been recognized in accordance with IAS 12 'Income Taxes'. The EFUL has accounted for the potential tax effects of temporary differences that exist at the acquisition date or arose as a result of the acquisition in accordance with IAS 12.

Carrying amounts of all the below mentioned assets and liabilities are equal to their fair value:

- Cash and bank's fair value is considered equal to its carrying amount due to their highly liquid nature and short-term maturity.
- Investments other than those fully impaired are either valued at "Available-for-Sales" or "Held-to-Maturity".
- Carrying amounts of other assets other than property and equipment and Investments are considered equal to their fair values due to the realizability of associated economic benefits being short term or equal to their carrying amounts.

1.4 Change in accounting policy - Window Takaful Operations (OPF and PTF)

The SECP, through S.R.O. 311 (I) / 2025 dated 03 March 2025, amended the General Takaful Accounting Regulations, 2019. The amendments require insurers whose General Window Takaful Operations constitute 25% or more of total operations (based on gross contribution) to consolidate takaful and conventional results in the financial statements, with detailed notes and segment disclosures under IFRS 8.

The Holding Company assessed its operations and concluded that its Window Takaful Operations are below the 25% threshold; therefore, these requirements are not applicable.

In line with the revised Regulation 6, all insurance Companies are now required to present both the Operator's Fund (OPF) and the Participants' Takaful Fund (PTF) in their statement of financial position. Previously, only the OPF was included as part of takaful operations. Under the revised requirement, the total assets and total liabilities of the Window Takaful Operations (OPF and PTF) are presented as a single line item in the statement of financial position. As the Company has no residual interest in the PTF, any surplus in the fund remains attributable solely to the Participants.

1.5 Effect of retrospective adjustments

Consolidated statement of financial position

	31 December 2024		
	As previously reported	Adjustment	Restated
	(Rupees in '000)		
Assets			
Intangible assets - Customer relationship	159,508	32,979	192,487
Intangible assets - Goodwill	3,203,823	(37,376)	3,166,447
Asset of Window general takaful operations	2,203,554	5,968,228	8,171,782
	<u>5,566,885</u>	<u>5,963,831</u>	<u>11,530,716</u>
Equity			
Unappropriated profit	1,963,736	(1,213)	1,962,523
Non controlling interest	5,678,794	(1,469)	5,677,325
	<u>7,642,530</u>	<u>(2,682)</u>	<u>7,639,848</u>
Liabilities			
Deferred tax	4,937,714	(1,715)	4,935,999
Liabilities of Window general takaful operations	779,288	5,968,228	6,747,516
	<u>13,359,532</u>	<u>5,963,831</u>	<u>19,323,363</u>

Consolidated profit and loss account

	01 January 2024		
	As previously reported	Adjustment	Restated
	(Rupees in '000)		
Marketing and administration expenses	8,404,139	4,397	8,408,536
Income tax expense	3,846,710	(1,715)	3,844,995
Net insurance premium	53,903,817	109,067	54,012,884
Net change in insurance liabilities (other than outstanding claims)	<u>(42,973,584)</u>	<u>(109,067)</u>	<u>(43,082,651)</u>
	<u>23,181,082</u>	<u>2,682</u>	<u>23,183,764</u>
Earnings per share - (Rupees)	<u>19.910</u>	<u>(0.013)</u>	<u>18.907</u>

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, Insurance Ordinance, 2000, Insurance Rules 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012 and General Accounting Regulation, 2019; and
- Islamic Financial Accounting Standards (IFAS) (as a lease) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017

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

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for the available-for-sale investments, held-for-trading investments, land and buildings, and investment properties that have been measured at fair value. Further lease liabilities and their related right-of-use assets measured at their present values at initial recognition, and the Group's liability under defined benefit plan is determined based on present value of defined benefit obligation less fair value of plan assets.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Holding Company and its Subsidiary Company. Subsidiary Company is fully consolidated from the date on which the power to control the Subsidiary Company is established.

The financial statements of the Subsidiary Company are prepared for the same reporting period as the Holding Company, using accounting policies that are consistent with those of the Holding Company.

The assets and liabilities of the Subsidiary Company have been consolidated with those of the Holding Company on a line-by-line basis and the carrying value of the Holding Company's investment in the Subsidiary Company is eliminated against the Subsidiary Company's share capital and pre-acquisition reserves in these consolidated financial statements. Non-controlling interest represents that part of the net results of operations and of the net assets of the Subsidiary Company that is not owned by the Group. All material intra-group balances and transactions have been eliminated. Acquisitions of non-controlling interest (NCI) are measured at the proportionate share of the NCI in the fair value of the net assets of the Subsidiary Company.

2.4 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). These consolidated financial statements are presented in Pakistani Rupees which is also the Group's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupees in thousand, unless otherwise stated.

2.5 Standards, interpretations and amendments effective during the current year

There are certain new standards, amendments and interpretations that are applicable for accounting periods beginning on or after 01 January 2025, that are considered not to have a material impact on the Group's financial statements and hence summarized below:

Effective date	New amendments to standard
01 January 2025	Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

2.6 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2026:

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

- Financial Assets with ESG-Linked features:

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

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

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

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

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

The amendments apply for reporting periods beginning on or after 01 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / derecognition requirements of Financial Assets / liabilities by Electronic Payments:

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

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

The amendments apply for reporting periods beginning on or after 01 January 2026. Earlier application is permitted.

- Other related amendments:

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

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

Disclosures on investments in equity instruments:

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

The amendments apply for reporting periods beginning on or after 01 January 2026. Earlier application is permitted.

Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.
- Adoption of IFRS 18 and IFRS 19

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444 (I) / 2025 dated 12 December 2025 has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633 (I) / 2014, shall be replaced with "IFRS 18, Presentation and Disclosure in Financial Statements" and "IFRS 19, Subsidiaries without Public Accountability: Disclosures", and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after 01 January 2027:

Provided that only unlisted subsidiaries without public accountability (i.e. unlisted companies other than those mentioned in clauses 1 (b)(ii), 1 (b)(iia) and 1(b)(iii) of the Third Schedule to the Act) may follow "IFRS 19, "Subsidiaries without Public Accountability: Disclosures" in preparation of their financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

2.6.1 Temporary exemption from IFRS 17 and IFRS 9

Pursuant to the requirements of Securities and Exchange Commission of Pakistan S.R.O. 1336 (I) / 2025 dated 23 July 2025 IFRS 17 “Insurance Contracts”, is applicable to the companies engaged in insurance/takaful and reinsurance / retakaful business from financial years commencing on or after 01 January 2027 and SECP has directed that the applicability period of optional temporary exemption from applying IFRS 9 – Financial Instrument as given in para 20A of IFRS 4 – Insurance Contracts is extended for annual periods beginning before 01 January 2027, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

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

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase approach towards implementation of IFRS 17 - Insurance Contracts. The first three phases now stand completed and Phase 4 parallel run and implementation has commenced and is currently under progress. On 23 December 2025, SECP further extended the deadline for submission of the audited long form report to 31 May 2026 via letter no. ID/MDPRD/IFRS-17/2025/4228.

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

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding, excluding any financial asset that meets the definition of fair value through profit and loss in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis; and
- b) all other financial assets.

Fair value of financial assets as at 31 December 2025 and the change in the fair values during the year ended 31 December 2025:

	2025			
	Failed the SPPI test		Passed the SPPI test	
	Fair value	Change in unrealized gains / (losses) during the year	Fair value	Change in unrealized gains / (losses) during the year
Financial assets	(Rupees in '000)			
Cash at bank*	-	-	7,912,745	-
Open-ended mutual funds	14,285,039	-	-	-
Investment in equity securities	85,226,773	(98,920)	-	-
Investment in debt securities	-	-	200,151,592	(158,837)
Term deposits*	-	-	4,086,645	-
Insurance / reinsurance receivables*	9,847,378	-	-	-
Loans and other receivables*	1,496,752	-	146,429	-
Accrued investment income*	-	-	4,650,835	-
	110,855,942	(98,920)	216,948,246	(158,837)

Fair value of financial assets as at 31 December 2024 and the change in the fair values during the year ended 31 December 2024:

	2024			
	Failed the SPPI test		Passed the SPPI test	
	Fair value	Change in unrealized gains / (losses) during the year	Fair value	Change in unrealized gains / (losses) during the year
Financial assets	(Rupees in '000)			
Cash at bank*	-	-	7,337,108	-
Open-ended mutual funds	6,683,483	-	-	-
Investment in equity securities	52,374,558	2,442,777	-	-
Investment in debt securities	-	-	206,603,076	1,171,658.00
Term deposits*	-	-	1,013,163	-
Insurance / reinsurance receivables*	9,025,969	-	-	-
Loans and other receivables*	804,566	-	122,951	-
Accrued investment income*	-	-	3,587,756	-
	68,888,576	2,442,777	218,664,054	1,171,658

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and method of computation adopted in preparation of consolidated financial statements are consistent to all years presented in these consolidated financial statements except balances of Window takaful operations (OPF and PTF) in consolidated statement of financial position as described in note 1.4.

3.1 Business combination and goodwill

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any; acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Subsidiary Company's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired, the difference is recognized directly in the consolidated profit and loss account.

Goodwill

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any, for the purpose of impairment testing. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

3.2 Property and equipment

Land is measured at cost at the time of initial recognition and is subsequently carried at revalued amount. Building is initially measured at cost and upon revaluation, is carried at revalued amount less accumulated depreciation and accumulated impairment losses, if any; all other property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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

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

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the Group and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to the profit and loss account as and when incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. 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 account in the year the asset is derecognized. Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each reporting date.

3.3 Right-of-use assets and lease liabilities

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

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

The Group recognizes right-of-use assets (ROU asset) and its related lease liability at the commencement date of the lease.

i) Right-of-use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives receivable.

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

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

ii) Lease liability

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

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

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

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

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

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

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right-to-use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use assets.

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

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

3.4 Intangible asset - other than goodwill

An intangible asset is recognized 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 intangibles that will have probable economic benefits exceeding costs beyond one year, are recognized as an intangible asset.

Intangible assets consist of customer relationships which arises as a result of access to existing customers, the fair value of these is recognized as a separately identifiable intangible asset upon business combination. The carrying value of the intangible asset is amortized on a straight-line basis over 7 years. The expected economic life of this intangible is determined by the Group considering factors such as remaining terms of agreement, the normal lives of related product and the competitive position

Further, it also includes material computer software licenses acquired are capitalized on the basis of cost incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of three years using the straight-line method.

Impairment losses, if any, are deducted from the carrying amount of the intangible assets.

Amortization on additions to intangibles is charged from the date in which an asset is available for use, while no amortization is charged for the month in which the asset is disposed off.

Cost associated with maintaining computer software programs are recognized as an expense when incurred.

3.5 Investment properties

Investment property is initially measured at cost, including expenditure incurred that is directly attributable to the acquisition of the investment property and subsequently at fair value with any change therein recognized in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. Rental income from investment properties is recognized as other income on a straight-line basis over the term of the lease.

Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

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

3.5.1 Rental Income

Rental income from investment property is recognized as revenue on a straight line basis over the non-cancellable period of the lease, unless another systematic basis is more representative of the time pattern in which use / benefit derived from the investment property is diminished.

3.6 Segment reporting

An operating segment is a component of the Group 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 Group's other components. All operating segments' results are reviewed regularly by the Group's key management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group presents segment reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017 as the primary reporting format.

The Holding Company has four primary business segments for reporting purposes namely, fire and property damage, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in note no. 3.10.

Based on its classification of Insurance contracts issued, the Subsidiary Company has six business segments namely investment linked business, conventional business, pension business, accident and health business, Family takaful investment linked business and Family takaful protection business.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities, which cannot be allocated to a particular segment on a reasonable basis, are reported as unallocated corporate assets and liabilities.

3.7 Cash and cash equivalents

Cash and cash equivalents includes policy and revenue stamps, bond papers, cash at bank, and term deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

3.8 Investment income

- Unrealized gain or loss on revaluation of investments classified as at fair value through profit and loss is included in the profit and loss account in the period to which it relates.
- Gain or loss on sale of investments is accounted for in the profit and loss account in the period to which it relates.
- Interest / mark-up on bank balances, term deposits and government securities is recognized on an accrual basis using the effective interest method.

3.9 Dividend income

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

3.10 Insurance contracts

3.10.1 Holding Company

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

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

The Holding Company underwrites non-life insurance contracts to multiple types of clients with businesses in engineering, automobiles, cement, power, textiles, paper, agriculture, services, trading sector, and individuals as well. The tenure of these insurance contracts depends upon terms of the policies written and vary accordingly.

Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Insurance contracts entered into by the Holding Company under which the contract holder is another insurer (inwards reinsurance) of a facultative nature are included within the individual category of insurance contracts, other than those, which fall under treaty. The insurance risk involved in these contracts is similar to the contracts undertaken by the Holding Company as insurer.

The Holding Company's insurance contracts are classified into the following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed and are:

Fire and property damage

Fire and property damage insurance contracts mainly compensate the Holding Company's customers for damage suffered due to fire, earthquake, riots / strike, explosion, atmospheric disturbance, flood, electric fluctuation and impact, burglary, loss of profit followed by the incident of fire, contractor's all risk, erection all risk, machinery breakdown and boiler damage, etcetera. According to the terms and conditions of the policy, to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

Marine, aviation, and transport

Marine insurance 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.

Motor

Motor insurance contracts provide indemnity for accidental damage to or total loss of insured vehicle including loss of or damage to third party and other comprehensive car coverage, according to terms and conditions of the policy (policy is made under the requirements of the Motor Vehicle Ordinance, 1965).

Miscellaneous

All other types of insurance contracts are classified in miscellaneous category like cover against burglary, loss of cash in safe, cash in transit, cash on counter, fidelity guarantee, personal accident, workmen compensation, travel loss, crop damage, mobilization and performance bond, public liabilities, livestock loss, bankers and other financial institutions packages, product liabilities, professional indemnity etcetera, according to terms and conditions of the policy.

In addition to direct insurance, the Holding Company also participates in risks under coinsurance contracts from other companies. The nature of the risks undertaken under such arrangement are consistent with the risks in each class of business as stated above in direct and other lead insurance contracts. The accounting policies of the defined insurance contracts have been disclosed in their respective notes to these consolidated financial statements.

3.10.2 Subsidiary Company

Classification

The Subsidiary Company currently issues contracts that are classified as insurance and takaful contracts as they transfer significant insurance risk (against death, disability and sickness) from the policyholder to the Subsidiary Company. All contracts which include an investment element are unit-linked contracts linked to unit linked funds.

The Subsidiary Company classifies its business into individual life and group life businesses, in both cases the form of contract consisting of main plans and supplementary riders (which are generally optional).

Individual life business mainly consists of unit-linked products and conventional protection products, in both cases with optional supplementary riders which generally provide protection only. Group life business consists primarily of protection products and a relatively small number of unit-linked policies.

Contract details and measurement

The insurance contracts offered by the Subsidiary Company are described below:

Individual life policies

These consist of the following types of policies:

- (a) Investment-linked product:

These are medium to long term unit-linked plans designed to address a variety of future policyholder needs, such as retirement planning, education planning for children, marriage planning for children, life protection and investments and savings for future. Premiums received from policyholders and after deduction of specified charges including risk charges, are invested in unit linked funds of the Subsidiary Company. The basic plan contains life cover over and above the unit value, with additional protection (for death, disability and sickness) being provided through the addition of optional riders.

- (b) Conventional protection products:

Two types of products are offered under Individual life conventional business, these being medium to long term contracts with level premiums being paid over the policy period. The Subsidiary Company offers a standard term life assurance product that offers protection in event of death as well as a decreasing term life assurance policy that covers outstanding loan balances.

- (c) Family takaful investment linked products:

These are medium to long term unit-linked plans operated through Window takaful operations of the Subsidiary company.

The Subsidiary Company offers unit-linked takaful plans which provide shariah compliant financial protection and investment vehicle to individual participants. These plans carry cash value, and offer investment choices to the participants to direct their investment related contributions based on their risk / return objectives. The investment risk is borne by the participants.

- (d) Accident and health products:

These consist of long term and short-term accident and health products providing cover against accidental death, disability, sickness and critical illness, offered both as long term as well as yearly renewable plans.

- (e) Family takaful protection products:

Group Life contracts are mainly issued to employers to insure their commitments to their employees as required under the The West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968. The group life business segment provides coverage to members / employees of business enterprises and corporate entities, against death and disability under group life assurance schemes issued by the Subsidiary Company.

- (f) Other supplementary benefits:

The Subsidiary Company also offers a variety of supplementary benefits attached with main plans including additional term life assurance, income benefits, critical illness, sickness and accidental death and disability related benefits.

Group life and group family takaful protection policies

- (a) Nature of contracts:

The Subsidiary Company's group life and group takaful business consists of one year term life contracts which provide coverage, in the event of death or disability, to:

- employees of a common employer, benefits payable under these contracts being either fixed, in case of death, or linked to the extent of loss incurred by the policyholder, in case of disability;
- customers of financial institutions, the contracts being issued to financial institutions to protect their customers' outstanding loan balances, such as on personal loan, mortgages and credit cards.

Unit-linked group life policies are similar in nature to individual life unit-linked products.

3.11 Commission

Holding Company

3.11.1 Deferred commission expense

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

3.11.2 Commission income

Commission from reinsurers (apart from recoveries) is deferred and recognized 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 recognized when the Group's right to receive the same is established.

Subsidiary Company

3.11.3 Acquisition costs

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

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

3.12 Revenue recognition

3.12.1 Premium

Holding Company

For all the insurance contracts, premiums / cover notes issued including administrative surcharge received / receivable under a policy / cover note are recognized as written from the date of attachment of the risk to the policy / cover note and over the period of the insurance from inception to the expiry of policy. Where premiums for a policy are payable in instalments, full premium for the duration of the policy is recognized as written at the inception of the policy and related assets set up for premiums receivable at a later date. Premiums are stated gross of commission payable to intermediaries and exclusive of taxes and duties levied on premiums.

Revenue from premium is determined after taking into account the unearned portion of premium. The unearned portion of premium income is recognized as a liability (refer note 3.12.2).

Reinsurance premium is recognized as an expense after taking into account the proportion of deferred reinsurance premium expense which is calculated using twenty-fourths' method. The deferred portion of premium expense is recognized as a prepayment.

Subsidiary Company

The Subsidiary Company's first year individual life premiums are recognized once the related policies have been issued and the premium is received. Renewal premiums are recognized upon receipt of premium provided the policy is still in force. Single premiums are recognized once the related policies are issued against the receipts of premium.

Group life premiums are recognized when due. A provision for unearned premiums is included in the policyholders' liabilities.

3.12.2 Unearned premium reserves

The unearned premium reserve is the unexpired portion of the premium including administrative surcharge, which relates to business in force at the financial statement date. Unearned premiums have been calculated by applying twenty-fourths' method as specified in the Insurance accounting regulations, 2017.

3.12.3 Insurance receivable and payables

Holding Company

Receivables (including premium due but unpaid) under insurance contracts are recognized when due, at the fair value of the consideration receivable. If there is objective evidence that the receivable is impaired, the Holding Company reduces the carrying amount of the receivable accordingly and recognized it as impairment loss. Premium received in advance is recognized as liability till the time of issuance of insurance contract there against.

An assessment is made at each reporting date to determine whether there is an objective evidence from external as well as internal sources of information that a financial asset or group of assets may be impaired i.e., recoverable amount at the reporting date is less than the earning amount of the asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized in the profit and loss account, for the difference between the recoverable amount and the carrying amount. Provision for impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in the provisions are recognized as income or expense, in the profit and loss account.

Subsidiary Company

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

3.12.4 Premium deficiency reserve (liability adequacy test)

At each consolidated financial statement date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned premium liability for that class. It is performed by comparing the expected future liability, after reinsurance, from claims and other expenses, including reinsurance expense, commissions and other underwriting expenses, expected to be incurred after consolidated financial statements date in respect of policies in force at consolidated financial statements date with the carrying amount of unearned premium liability. Any deficiency is recognized by establishing a provision (premium deficiency reserve) to meet the deficit.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses, which are not expected to recur during the remaining period of the policies, and expectations of future events that are believed to be reasonable.

The movement in the premium deficiency reserve is recognized as an expense or income in the profit and loss account for the year.

3.13 Reinsurance contracts

Holding Company

Contracts entered into by the Holding Company with reinsurers under which the Company cedes insurance risks assumed during normal course of its business and according to which the Holding Company is compensated for losses on insurance contracts issued by the holding company are classified as reinsurance contracts held. These reinsurance contracts include both facultative and treaty arrangement contracts and are classified in same categories of insurance contracts for the purpose of these financial statements. The Holding Company recognizes the entitled benefits under the contracts as various reinsurance assets and liabilities.

Reinsurance premium is recognized as an expense at the time the reinsurance is ceded. Commission on reinsurance cessions are recognized in accordance with the policy of recognizing premium revenue

Reinsurance assets represent balances due from reinsurance companies and reinsurance recoveries against outstanding claims. Reinsurance recoveries are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Reinsurance liabilities represent balances due to reinsurance companies and are primarily premiums payable for reinsurance contracts and are recognized at the same time when reinsurance premiums are recognized as an expense.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired. Furthermore, reinsurance assets are not offset against related insurance liabilities. Income or expenses from reinsurance contract are not off set against income or expenses from related insurance assets.

An impairment review of reinsurance assets is performed at each financial statement date. If there is objective evidence that the asset is impaired, the Holding Company reduces the carrying amount of the reinsurance assets to its recoverable amount and recognizes that impairment loss in the profit and loss account. .

Prepayment (i.e. premium ceded to reinsurers) is recognized as follows:

- for reinsurance contracts operating on a proportional basis, a liability to the reinsurer is recognized on attachment of the underlying policies reinsured, while an asset is recognized for the unexpired period of reinsurance coverage at the reporting date as prepaid reinsurance premium ceded and the same is expensed over the period of underlying policies.
- for reinsurance contracts operating on a non-proportional basis, and for which the term of the reinsurance contract is not directly referable to the term of any underlying policy or policies, at inception of the reinsurance contract.

Subsidiary Company

The Subsidiary Company has entered into reinsurance / retakaful (hereinafter referred to as “reinsurance”) arrangements for both its individual and group businesses, in order to manage risks associated with the frequency and severity of claims. These arrangements include cover under treaties as well as on a facultative basis. The terms of reinsurance treaties vary by the type of business, the objective being to maintain a reasonable risk profile suiting the risk appetite and overall exposure to adverse movements in mortality or morbidity.

Primarily, reinsurance assets are amounts due from reinsurers with respect to recoveries under claims and profit commission. Reinsurance recoveries are measured according to the terms and conditions of the reinsurance contracts.

Reinsurance liabilities consist of amounts due to reinsurers on account of reinsurance premiums due which are measured according to the terms of the arrangements.

3.14 Investments

3.14.1 Recognition and classification

Investments are initially recognized at fair value plus directly attributable transaction costs, except for investments held for trading in which transaction costs is charged to profit and loss account. For investments traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each reporting date. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Group commits to purchase or sell investments.

The classification depends on the purpose for which the financial asset is acquired, the Group classified investments as follows:

- In equity securities
 - (a) Available-for-sale
 - (b) Held-for-trading
- In debt securities
 - (a) Available-for-sale

- In term deposits - Held-to-maturity
- In mutual funds
 - (a) Available-for-sale
 - (b) Held-for-trading

3.14.2 Measurement

3.14.2.1 Available-for-sale

Investments which are not eligible to be classified as at held for trading, or held to maturity are classified as ‘available-for-sale’. Further, Investments which at the time of acquisition are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Subsequent to initial measurement, these are remeasured at fair value. Surplus / deficit on revaluation from one reporting date to another is taken to other comprehensive income in the Statement of Comprehensive Income. On derecognition or impairment of available-for-sale investments, the cumulative gain or loss previously reported in consolidated other comprehensive income is transferred to consolidated profit and loss for the year within statement of consolidated comprehensive income. Whereas, any reversal in impairment is taken in consolidated statement of comprehensive income.

Investment related to non-unit linked fund subsequently measured at fair value and the difference is charged to statement of comprehensive income under the heading ‘Available for sale’.

Quoted

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

Unquoted

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

Impairment against financial assets

When the decline in value of an equity security is significant or prolonged, the decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available-for-sale equity securities, the cumulative loss previously recognized in the statement of comprehensive income is removed there from and included in the profit and loss account. Impairment losses recognized in the profit and loss account on equity securities are only reversed when the equity securities are derecognized.

3.14.2.2 Held-to-maturity

At the time of acquisition, investments with fixed determinable payments and 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 amortized cost using the effective yield, less provision for impairment losses, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortized over the term of investment using the effective yield method.

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

3.14.2.3 Held-for-trading

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuation in prices or that part of a portfolio for which there is a recent actual pattern of short-term profit taking. The group elects to measure certain financial assets and liabilities at their fair value, with any changes in fair value recognized directly in the profit or loss account during each reporting period, indicating that the group intends to actively trade these instruments.

Subsequent to initial recognition these are measured at fair value by reference to quoted market prices with the resulting gain or loss being included in the profit and loss account for the period to which it relates.

Investments in debt securities relating to units assigned to policies of investment linked business, pension business and Family takaful investment linked business are subsequently measured at their fair values and the difference taken in fair value through profit and loss account and the investment related to non-unit-linked fund subsequently measured at fair value through other comprehensive income.

Investments in mutual funds relating to units assigned to policies of investment linked business, pension business and family takaful investment linked business are subsequently measured at their fair values and the difference is taken to statement of profit and loss account.

3.14.2.4 Fair / market value measurements

For investments in Government securities, fair / market value is determined by reference to quotations obtained from The Reuters page (PKRV) / (PKISRV) / (PKFRV) 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 balance sheet date. The fair market value of Term Finance Certificates is as per the rates issued by the Mutual Funds Association of Pakistan (MUFAP).

3.14.2.5 Offsetting of financial assets and financial liabilities

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

3.15 Claims

Holding Company

Claims are charged to profit and loss as incurred based on estimated liability for compensation owed under the insurance contracts. It includes 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.

Subsidiary Company

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

3.15.1 Provision for outstanding claims including incurred but not reported (IBNR)

Holding Company

This represents 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 provision (liability) for outstanding claims is recognized in respect of all claims incurred upto the financial statement date (claims intimated or assessed before the end of the reporting period), which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs. Where applicable, deductions are made for salvage and their recoveries.

Claims recoveries receivable from reinsurers and other recoveries receivable shall be recognized at the same time as the claims which give rise to the right to the recovery are recognized.

Incurred but not reported (IBNR) claims

This represents losses that have incurred or are in the occurrence period at the end of the reporting year and have not been intimated to the Holding Company by the end of the reporting year.

SECP through its circular 9 of 2016 dated March 09, 2016 issued 'SECP guidelines for estimation of incurred but not reported (IBNR) claims reserve 2016' for non-life insurance Companies and required to comply with all provisions of these guidelines with effect from 01 July 2016.

The provision for IBNR claims is made at the financial statement date. The Holding Company takes actuarial advice for the determination of IBNR claims. IBNR claims have been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF), which represents the extent of future development of claims to reach their ultimate level. The methods used, and the estimates made, are reviewed regularly. The actuarial valuation is carried out by an independent firm of actuaries for determination of IBNR for each class of business.

Subsidiary Company

A provision (liability) for outstanding claims is recognized in respect of all claims incurred up to the balance sheet date, except for accident and health claims which are recognized as soon as reliable estimates of the claim amount can be made. Claims where intimation of the event giving rise to the claim is received or in respect of investment linked business when the policy ceases to participate in the earnings of the statutory fund are reported as claims in the revenue account. The liability for claims incurred but not reported at the yearend is determined by the appointed actuary and are included in the policyholders' liabilities. Experience refund of premium calculated by appointed actuary is included in outstanding claims. Experience refund of premium receivable from reinsurers is included in the reinsurance recoveries of claim.

3.16 Taxation

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

3.16.1 Current tax

Provision for current taxation is based on taxable income determined in accordance with the prevailing law for taxation of income and is calculated using enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for the current taxation also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalized during the year or required by any other reason.

3.16.2 Deferred tax

Deferred taxation is recognized using liability method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for

all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.17 Employees' retirement benefits

3.17.1 Defined benefit plans

The Group manages the following employee defined benefit plans:

- Funded gratuity scheme
The Holding Company and Subsidiary Company operates an approved gratuity fund for all employees who complete qualifying period of service.
- Funded pension scheme
The Holding Company and the Subsidiary Company operates an approved pension fund for its entitled employees.

These funds are administered by trustees. The pension plan is a career average salary plan and the gratuity plan is a final basic salary plan. The actuarial valuation of both the plans is carried out on a yearly basis using the projected unit credit method and contributions to the plans are made accordingly.

The liability / asset recognized in the statement of financial position 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 the statement of comprehensive income. The Group makes contributions to the plan on the basis of advice of its actuary.

Actuarial gains and losses are recognized in other comprehensive income in the year in which they arise.

Past-service costs are recognized immediately in profit and loss account, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss account.

3.17.2 Defined contribution plan

The Group contributes to a provident fund scheme, which covers all permanent employees. The Group and their employees make equal contributions to the fund at the rate of 8.33 % of basic salary.

3.18 Compensated absences

The liability towards compensated absences accumulated by the employees is provided in the period in which they are earned.

3.19 Dividend and bonus shares

Dividend to shareholders is recognized as liability in the period in which it is approved. Similarly, reserve for issue of bonus shares is recognized in the year in which such issue is approved.

3.20 Expenses of management

Holding Company

All expenses of management have been allocated between business of Company and Window Takaful Operations – Operators' Fund to the various revenue accounts as deemed equitable by management based on the detailed exercise carried out by management on an annual basis.

3.21 Commission from reinsurers

The revenue recognition policy for commission from reinsurer is given under note 3.11.2.

3.22 Foreign currencies

3.22.1 Foreign currency translations

Transactions in foreign currencies are translated to rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the reporting date.

3.22.2 Foreign currency balances

Monetary assets and liabilities denominated in foreign currency are translated into functional currency at the exchange rate at the reporting date. Insurance and reinsurance contracts that generate cashflows in a foreign currency are treated as monetary items.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost is translated at the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognized in profit and loss. However, foreign currency differences arising from the translation of the following items are recognized in other comprehensive income:

- Equity investment designated at available-for-sale
- Investment in foreign operations

Translation gain and loss

Translation gains and losses are taken to the profit and loss account, except those arising on translation of the net investment in foreign operations (associate) which are taken to the statement of comprehensive income under "exchange translation reserve" until the disposal of the net investment, at which time these are recognized in the profit and loss account.

3.23 Policyholder liability

Policyholders' liabilities are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date. In determining the value, both acquired policy values (which forms the bulk of policyholders' liabilities) as well as estimated values which will be payable against risks which the Subsidiary Company underwrites are taken into account. The bases used are applied consistently from year to year.

The basic liability consists of the estimated actuarial liability against each contract which is in force. To this are added:

- (a) The cash value of policies which have lapsed over the last two years and where the liability would be reinstated in case of the policy being revived; and
- (b) A reserve for potential losses on a policy-by-policy basis.

3.24 Statutory funds

The Subsidiary Company maintains statutory funds for all classes of life insurance business. Assets, liabilities, revenues and expenses are recorded in respective funds, if referable, or, on the basis of actuarial advice if not referable. Other assets, liabilities, revenues and expenses are allocated to shareholders' fund. Policyholders' liabilities have been included in statutory funds on the basis of the actuarial valuation carried out by the appointed actuary of the Subsidiary Company on the balance sheet date as required by Section 50 of the Insurance Ordinance, 2000. A capital transfer provided to statutory funds by the shareholders' fund is recorded as a reduction in the shareholders' equity. Changes in the amount of capital contributed to statutory funds is recorded by the shareholders' funds directly in equity.

3.25 Material accounting policies (Subsidiary Company) - Window family takaful operations

3.25.1 Takaful contracts

The takaful contracts are based on the principles of Wakala Waqf Model. Takaful is a program based on shariah compliant, approved concept founded on the principles of mutual cooperation, solidarity and brotherhood.

The obligation of Waqf for Waqf participants' liabilities is limited to the amount available in the Waqf fund. In the event where there is insufficient funds in Waqf to meet their current payments less receipts, the deficit is funded by way of an interest free loan (Qard-e-Hasna) from the operator sub fund to participant takaful fund and group family takaful. The amount of Qard-e-Hasna is refundable to the operator sub fund.

Technical reserves are stated at a value determined by the appointed actuary through an actuarial valuation carried out as at each balance sheet date, in accordance with section 50 of the Insurance Ordinance, 2000.

3.25.2 Group takaful

The group family takaful contracts are issued typically on yearly renewable term basis. The Subsidiary Company offers group term life and group credit plans to its participants.

3.25.3 Individual takaful contracts unit-linked

The Subsidiary Company offers unit-linked takaful plans which provide shariah compliant financial protection and investment vehicle to individual participants contribution received from policyholders, after deducting specific charges and takaful donations, are invested in unit-linked funds of the Subsidiary Company.

The basic plan contains family takaful cover over and above the unit value with additional protection

3.25.4 Retakaful

These contracts are entered into by the Subsidiary Company with retakaful operator under which the retakaful operator cedes the takaful risk assumed during normal course of its business and according to which the Waqf is compensated for losses on contract issued by it are classified as retakaful contracts held.

Retakaful contribution

Retakaful contribution is recorded at the time the retakaful is ceded.

Retakaful expenses

Retakaful expenses are recognized as a liability in accordance with the pattern of recognition of related contribution.

Retakaful assets and liabilities

Retakaful assets represent balances due from retakaful operators. Recoverable amounts are estimated in a manner consistent with the associated retakaful treaties.

Retakaful liabilities represent balances due to retakaful operators. Amounts payable are calculated in a manner consistent with the associated retakaful treaties.

Retakaful assets are not offset against related retakaful liabilities. Income or expenses from retakaful contract are not offset against expenses or income from related retakaful contracts as required by Insurance Ordinance, 2000.

Retakaful assets and liabilities are derecognized when the contractual rights are extinguished or expired.

3.25.5 Business segment - Window family takaful operation

The Subsidiary Company has two primary business segment for reporting purposes; family takaful investment linked business and family takaful protection business.

- (a) The family takaful investment linked business segments provides family takaful coverage to individuals under unit - linked policies issued by the participants' takaful fund.
- (b) The family takaful protection business segment provides family takaful coverage to member of business enterprises, corporate entities and common interest groups under group family takaful scheme operated by the Subsidiary Company.

3.25.6 Takaful operator's fee

The shareholders of the Subsidiary Company manage the family takaful operations for the participants and act as Wakeel of the Waqf fund. The Subsidiary Company is entitled for the wakala fee for the management of takaful operation under Waqf fund to meet its general and administrative expenses.

The window takaful operator is also entitled for Wakalt-ul-Istismar fee as it manages participant investment fund.

The window takaful operator is also entitled for modarib fee as it manages participant takaful fund.

3.25.7 Revenue Recognition

Individual first year contribution are recognized once the related policies have been issued and the contribution received. Renewal contribution are recognized upon receipt of contribution provided the policy is still in force. Individual single contribution are recognized once the related policies are issued against the receipts of contribution.

Group contribution are recognized when due. A provision for unearned contribution is included in the policyholders' liabilities.

3.26 Impairment of non financial assets

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

A previously recognized impairment loss is reversed only if there has been change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

3.27 Investments in associate

An associate is an entity in which the Group has a significant influence and which is neither a subsidiary nor a joint venture. Associates are accounted for using equity method of accounting after initially being recognized at cost. These consolidated financial statements include the Company's share of total recognized gains and losses of associates on the equity accounting basis, from the date significant influence commences until the date that significant influence ceases. The Group's share of the associates profit or loss is recognized in the profit and loss account. Distributions received from an associate, including dividend, reduces the carrying amount of the investment. Unrealized gain / loss on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities.

3.28 Earning per share

The Holding Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Holding 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 the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates and assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the revision and future periods if the revision affects both current and future periods.

	Note
- Business combination and goodwill	3.1
- Property and equipment	3.2
- Intangible asset - other than goodwill	3.4
- Right-of-use assets and lease liabilities	3.3

	Note
- Investment properties	3.5
- Insurance receivable and payables	3.12.3
- Premium deficiency reserve (liability adequacy test)	3.12.4
- Provision for outstanding claims including Incurred But Not Reported (IBNR)	3.15.1
- Taxation	3.16
- Employees' retirement benefits	3.17
- Contingencies	23
- Policyholder Liability	3.23

	Note	2025	2024
----- (Rupees in '000) -----			
Operating assets	5.1	9,495,517	9,266,348
Right-of-use assets	5.1.1	1,058,579	616,624
Work in progress	5.2	18,417	-
		<u>10,572,513</u>	<u>9,882,972</u>

5.1 Operating assets and right-of-use assets

2025									
Cost / Revaluation				Accumulated Depreciation				Written down value	Rate
As at 01 January	Additions	(Disposals) / adjustment	As at 31 December	As at 01 January	For the year	(Disposals) / adjustment	As at 31 December	As at 31 December	
----- (Rupees in '000) -----									
									%
Land	3,512,392	-	-	3,604,861	-	-	-	3,604,861	0
Buildings	5,159,825	-	-	5,400,902	1,575,279	255,573	-	3,570,050	5
Leasehold improvements	427,906	75,582	(15,639)	487,849	385,470	34,472	(15,376)	404,566	83,283
Furniture and fixtures	729,632	25,195	(7,242)	747,585	535,317	46,930	(6,800)	575,447	172,138
Office equipment	780,988	48,263	(7,997)	821,254	509,079	60,288	(6,757)	562,610	258,644
Computer equipment	1,891,383	611,841	(10,302)	2,492,922	1,033,610	515,303	(9,414)	1,539,499	953,423
Vehicles	1,817,245	362,067	(324,318)	1,854,994	1,014,268	244,845	(257,237)	1,001,876	853,118
	<u>14,319,371</u>	<u>1,122,948</u>	<u>(365,498)</u>	<u>15,410,367</u>	<u>5,053,023</u>	<u>1,157,411</u>	<u>(295,584)</u>	<u>5,914,850</u>	<u>9,495,517</u>
2024									
Cost / Revaluation				Accumulated Depreciation				Written down value	Rate
As at 01 January	Additions	(Disposals) / adjustment	As at 31 December	As at 01 January	For the year	(Disposals) / adjustment	As at 31 December	As at 31 December	
----- (Rupees in '000) -----									
									%
Land	3,281,930	-	-	3,512,392	-	-	-	3,512,392	0
Buildings	5,191,772	7,631	(2,587)	5,159,825	1,318,598	257,785	(1,104)	3,584,546	5
Leasehold improvements	412,560	20,711	(5,365)	427,906	335,454	54,763	(4,747)	385,470	42,436
Furniture and fixtures	741,236	11,305	(22,909)	729,632	500,131	57,951	(22,765)	535,317	194,315
Office equipment	724,582	69,667	(13,261)	780,988	467,895	54,234	(13,050)	509,079	271,909
Computer equipment	1,122,768	792,801	(24,186)	1,891,383	627,079	430,689	(24,158)	1,033,610	857,773
Vehicles	1,830,011	407,130	(419,896)	1,817,245	1,056,344	290,507	(332,583)	1,014,268	802,977
	<u>13,304,859</u>	<u>1,309,245</u>	<u>(488,204)</u>	<u>14,319,371</u>	<u>4,305,501</u>	<u>1,145,929</u>	<u>(398,407)</u>	<u>5,053,023</u>	<u>9,266,348</u>

5.1.1 Right of use assets - building

Cost / Revaluation				Accumulated Depreciation				Written down value	Rate
As at 01 January	Additions	(Disposals) / adjustment	As at 31 December	As at 01 January	For the year	(Disposals) / adjustment	As at 31 December	As at 31 December	%
----- (Rupees in '000) -----									
2025	1,581,709	682,159	(138,223)	2,125,645	965,085	217,418	(115,437)	1,067,066	1,058,579
2024	1,459,236	314,287	(191,814)	1,581,709	792,405	262,188	(89,508)	965,085	616,624

5.1.2 Details of tangible assets disposed off during the year are as follows:

Category of Assets	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode	Particulars of buyers
	1,780	1,276	504	2,000	1,496	Negotiation	Khalid Maqsood - Employee
	2,744	1,646	1,098	2,550	1,452	Negotiation	Jibran - Employee
	3,272	1,745	1,527	3,700	2,173	Negotiation	Sikandar Arshad - Employee
	2,250	1,163	1,087	2,635	1,548	Negotiation	Sh. Irfan zafar - Employee
	1,546	799	747	1,955	1,208	Negotiation	Talat Sherazi - Employee
	2,250	1,163	1,087	2,635	1,548	Negotiation	Javed Ameen - Employee
	1,546	747	799	1,955	1,156	Negotiation	Abbas Zaidi - Employee
	1,546	825	721	2,100	1,379	Negotiation	Ali Sher dehri - Employee
	1,546	825	721	1,900	1,179	Negotiation	Saeed Ul Haq - Employee
	1,546	876	670	1,950	1,280	Negotiation	Tahir - Employee
	2,754	1,331	1,423	2,635	1,212	Negotiation	Asif Akhter - Employee
	6,657	3,329	3,328	5,600	2,272	Negotiation	Sohaib - Employee
	2,612	1,306	1,306	1,900	594	Negotiation	Tanveer Haider - Employee
	1,350	248	1,102	512	(590)	Negotiation	Raheel Ahmad - Employee
	2,000	367	1,633	908	(725)	Negotiation	Ibrahim Danish - Employee
	1,750	322	1,428	738	(690)	Negotiation	Asghar Rizvi - Employee
	4,500	827	3,673	1,654	(2,019)	Negotiation	Dr. Faiq Khan - Employee
	1,750	322	1,428	738	(690)	Negotiation	Shahbaz Hussain - Employee
	2,300	423	1,877	1,005	(872)	Negotiation	Sohail Baloch - Employee
	2,300	423	1,877	1,033	(844)	Negotiation	Nooruddin Jaffer - Employee
	2,200	441	1,759	885	(874)	Negotiation	Babar Uddin - Employee
	7,700	1,671	6,029	3,784	(2,245)	Negotiation	Kamran Ansari - Employee
	3,800	825	2,975	3,230	255	Negotiation	Nadia Bakhtiar - Employee
	3,200	958	2,242	1,070	(1,172)	Negotiation	Nadir Rizvi - Employee
	2,400	764	1,636	979	(657)	Negotiation	Usman Riaz - Employee
	2,420	776	1,644	1,124	(520)	Negotiation	Mehmood Farooq - Employee
	71	20	51	45	(6)	Negotiation	Sajid Hussain - Employee
	71	21	50	45	(5)	Negotiation	Muhammad Salman - Employee
Disposals having book value not exceeding Rs. 50,000 individually	196,766	196,629	137	185,890	185,753		
	324,318	257,237	67,081	287,900	220,819		
	365,498	295,584	69,914	296,829	226,915		

5.1.3 Land and buildings are carried at revalued amount. The latest revaluation was carried out by independent valuer as on 31 December 2025, which resulted in surplus of Rs. 334 million (2024: Rs. 193 million). Had there been no revaluation, the carrying value of the assets would have been as follows:

	2025	2024
	----- (Rupees in '000) -----	
Land	208,169	208,169
Buildings	1,404,615	1,524,536
	1,612,784	1,732,705
5.2 Work in progress		
Opening	-	-
Additions	18,417	-
Transfer to assets	-	-
	18,417	-

- 5.2.1
- This represents costs incurred in respect of fire fighting equipment under installation at the reporting date at EFU House, Karachi. These assets will be transferred to property and equipment upon completion and commencement of use.
- 5.3
- Surplus on revaluation on land and building represents net cumulative increase in the carrying amount as a result of revaluation carried at revalued amount.

	2025	2024
	----- (Rupees in '000) -----	
Revaluation surplus as at 01 January	3,825,311	3,714,985
Deferred tax on opening value	(1,491,872)	(1,448,845)
Reported in financial statements	2,333,439	2,266,140
Surplus / (deficit) arising on revaluation :		
Land	92,469	230,462
Buildings	241,077	(36,991)
	333,546	193,471
Deferred tax liability on revaluation surplus for current year	(130,083)	(75,454)
	203,463	118,017
	2,536,902	2,384,157
Net amount transferred to unappropriated profit on account of incremental depreciation	(81,298)	(83,145)
Deferred tax on incremental depreciation	31,706	32,427
	(49,592)	(50,718)
As at December 31	2,487,310	2,333,439

5.3.1 Restriction on distribution

The surplus on revaluation of property and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

5.3.2 Measuring property at fair value

The fair value of owned properties is determined at the end of each year by independent suitably qualified valuer. The fair valuation of the owned properties as at 31 December 2025 were performed by Messrs. Iqbal A. Nanjee & Co. (Private) Ltd and Minaco Pvt Ltd.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

5.3.3 Fair value hierarchy

The fair value hierarchy as at the end of the reporting period was Level 2.

5.3.4 Forced sale value

Forced sale value of the property and equipment is assessed at Rs. 6,341 million (2024: Rs. 6,102 million).

5.3.5 The details of land and buildings are as follows:

- i)
- This owned property comprises of land and building situated at Plot No. 16/6 Ghulam Hussain Kassim Quarter Main M.A Jinnah Road Karachi having a total covered area of 42,249 sq ft.

- ii)
- This owned property comprises of building situated at Plot No.C-1, Sector B-III, Karachi Export Processing Zone Authority (Landhi Industrial Area Extension) Mehran Highway Landhi Karachi having a total covered area of 6,615 sq ft.
- iii)
- This owned property comprises of land and building of the Subsidiary Company situated at plot bearing 112 at phase 1 DHA Karachi total covered area of 16,389 sq ft.

6 INTANGIBLE ASSETS INCLUDING GOODWILL

		2025							
		Cost			Amortisation / impairment			Written down value	
		As at 01 January	Additions	As at 31 December	As at 01 January	For the year	Impairment	As at 31 December	As at 31 December
		(Rupees in '000)							
6.1	Computer softwares	449,549	76,004	525,553	252,383	124,092	-	376,475	149,078
	Goodwill of the Subsidiary	7,157,434	-	7,157,434	4,021,963	-	886,065	4,908,028	2,249,406
	Goodwill on EFUH amalgamation	574	-	574	-	-	-	-	574
	Goodwill on acquisition of Hello Doctor	30,653	-	30,653	251	-	-	251	30,402
	Customer relationships of the Subsidiary	2,672,921	-	2,672,921	2,577,447	95,474	-	2,672,921	-
	Customer Relationships of Hello Doctor	77,954	-	77,954	13,920	11,136	-	25,056	52,898
	Customer Relationships of EFUH	37,376	-	37,376	4,397	6,596	-	10,993	26,383
		10,426,461	76,004	10,502,465	6,870,361	237,298	886,065	7,993,724	2,508,741
		2024 (Restated)							
		Cost			Amortisation / impairment			Written down value	
		As at 01 January	Additions	As at 31 December	As at 01 January	For the year	Impairment	As at 31 December	As at 31 December
		(Rupees in '000)							
6.1.1	Computer softwares	353,029	96,520	449,549	162,904	89,479	-	252,383	197,166
	Goodwill of the Subsidiary	7,157,434	-	7,157,434	2,332,113	-	1,689,850	4,021,963	3,135,471
	Goodwill on EFUH amalgamation	-	574	574	-	-	-	-	574
	Goodwill of acquisition of Hello Doctor	30,653	-	30,653	-	-	251	251	30,402
	Customer relationships of the Subsidiary	2,672,921	-	2,672,921	2,195,603	381,844	-	2,577,447	95,474
	Customer Relationships of Hello Doctor	77,954	-	77,954	2,784	11,136	-	13,920	64,034
	Customer Relationships of EFUH	-	37,376	37,376	-	4,397	-	4,397	32,979
		10,291,991	134,470	10,426,461	4,693,404	486,856	1,690,101	6,870,361	3,556,100

- 6.1.1
- The management has carried out an annual impairment assessment for goodwill at each reporting date. For this purpose, the management has used the fair value less cost to sale as recoverable amount of the underline CGU.

	2025	2024
	----- (Rupees in '000) -----	
Goodwill - Holding Company's share	7,157,434	7,157,434
Impairment closing balance	(4,021,963)	(4,021,963)
Goodwill closing	3,135,471	3,135,471
Grossing up		
Goodwill - Holding Company's share	7,157,434	7,157,434
Impairment - opening	(4,021,963)	(2,332,113)
Goodwill opening	3,135,471	4,825,321
Total goodwill - grossed up	15,696,760	15,795,734
Intangible (unamortized)	-	95,474
Total net assets	11,736,851	10,878,327
Total value of EFU life assurance company limited	27,433,611	26,769,535
Fair value less cost to sell	(16,669,957)	(17,893,469)
Total impairment	10,763,654	8,876,066
Company's Share	45.60%	45.31%
Parent's share of impairment	4,908,028	4,021,963
Impairment for the year	886,065	1,689,850

7 INVESTMENT PROPERTIES

	2025	2024
	(Rupees in '000)	
Opening net book value	3,462,112	3,191,970
Additions and capital improvements	5,822	421
Unrealized fair value gain	269,247	269,721
	3,737,181	3,462,112

	2025		
	Land	Buildings	Total
	(Rupees in '000)		
Balance at 01 January	2,408,220	1,053,892	3,462,112
Additions and capital improvements	-	5,822	5,822
Unrealized gain on remeasurement of fair value	256,250	12,997	269,247
Balance at 31 December	2,664,470	1,072,711	3,737,181

The investment properties comprises of freehold office buildings which are not occupied by the Subsidiary Company. These are held to earn rental income and for long term appreciation in the value.

7.1 Measuring investment properties at fair value

The fair value of investment properties are determined at the end of each year by independent suitably qualified valuer. The fair value of the investment properties as at 31 December 2025 and 31 December 2024 were performed by Messrs. Hamid Mukhtar & Co. (Private) Limited and Iqbal A. Nanjee & Co. (Private) Limited.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

7.2 Fair value hierarchy

The fair value hierarchy as at the end of the reporting period was Level 2.

7.3 Forced sale value

Forced sale value of the investment properties are assessed at Rs. 3,090 million (2024: Rs. 2,770 million).

7.4 The details of investment properties are as follows:

- i) The investment property comprises of land and building situated at Plot No. 6-D, Main Gulberg, Jail Road, Lahore, having a total covered area of 188,194.98 sq ft. (valued by Hamid Mukhtar & Co. (Private) Ltd),
- i) The investment property comprises of leasehold land situated at Plot No.36-A, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, having a total covered area of 20,340 sq. ft. (valued by Iqbal A. Nanjee & Co. (Private) Ltd.).
- iii) This investment property comprises of land situated in Deh Halkani, Tapo Manghopir, Manghopir Road, Taluka District, Karachi having a total covered area of 740,520 sq ft. The fair value of the land carried at cost amounting to Rs. 1.47 million cannot be reliably measured due to an ongoing legal dispute between the Holding Company and the Karachi Water and Sewerage Board for the possession of the said land (no valuation has been carried out due to the pending legal dispute).

7.5 Rental income is recognized on a straight line basis over the non-cancellable lease term. Non-cancellable lease term includes only the period in which both parties do not have the right to cancel / terminate the agreement. Due to the fact that it is more likely that the tenants may substitute their business place from the Holding Company's managed premises to other premises, the management has recognized rental considering the non-cancellable period of six to twelve months. Rental income and related expenses are disclosed in note 32 to these consolidated financial statements.

8 INVESTMENT IN ASSOCIATE

Name of associate	Year	Investment at the beginning of the year	Investment made during the year	Share of profit	Dividend income	Investment at the end of the year
		(Rupees in '000)				
EFU Hemayah Pension Fund	2025	-	150,000	2,349	-	152,349
EFU Hemayah Pension Fund	2024	-	-	-	-	-
Name of associate	Country of Incorporation	Assets	Liabilities	Revenue	Profit	Percentage holding
		(Rupees in '000)				
EFU Hemayah Pension Fund	Pakistan	152,897	(537)	750	513	99.99%

EFU Hemayah Pension Fund is managed by the Subsidiary Company in the capacity of pension fund manager. As stipulated under Regulation 38 of Non-Banking Finance Regulation, 2008, the asset management company (AMC) is entrusted with fiduciary duties towards the unit holders of the funds. This fiduciary obligation requires AMC to act in the best interests of its unit holders, refraining from exploiting opportunities for its own benefit or that of its related parties, group companies, or employees, to the detriment of the unit holders. Therefore, the Subsidiary Company has significant influence over such pension fund due to participation in the investee's policy-making processes and investment in such pension fund is considered as investment in associates.

This is not considered subsidiary due to the legal trust structure of the entity, the Subsidiary Company does not have the ability to affect returns through its power over the investee. Further, under this trust structure, the trusteeship is separate from the management, and the independent trustees play a key role in overseeing the activities of the AMC.

9 INVESTMENTS IN EQUITY SECURITIES

	Note	2025			2024		
		Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
		(Rupees in '000)					
At available-for-sale							
Related party							
Listed shares	9.2	696,041	(414,217)	281,824	684,731	(408,799)	275,932
Others							
Listed shares	9.3, 9.4 & 9.5	9,733,304	(247,493)	9,485,811	3,957,110	(446,193)	3,510,917
Unlisted shares		192,319	(191,811)	508	192,319	(191,811)	508
		9,925,623	(439,304)	9,486,319	4,149,429	(638,004)	3,511,425
Surplus on revaluation				3,928,861			4,053,241
		10,621,664	(853,521)	13,697,004	4,834,160	(1,046,803)	7,840,598
At held-for-trading							
Others							
Listed shares		3,934,771	-	3,934,771	998,385	-	998,385
Surplus on revaluation		-	-	26,701	-	-	1,241
		3,934,771	-	3,961,472	998,385	-	999,626
At fair value through profit or loss - designated upon initial recognition							
Related party							
Listed shares		111,504	-	149,395	36,609	-	111,504
Others							
Listed shares		48,004,348	-	67,418,902	23,125,580	-	43,422,830
		48,115,852	-	67,568,297	23,162,189	-	43,534,334
		62,672,287	(853,521)	85,226,773	28,994,734	(1,046,803)	52,374,558

9.1 Reconciliation of provision for impairment

Balance at the beginning of the year
(Reversal) / charge for impairment on available-for-sale investments
Balance at the end of the year

9.2 Listed equities include investment in Jahangir Siddiqui and Company Limited (Associated Company) representing 1.17% of the issued capital of the Associated Company. Total shares acquired by the Subsidiary Company are 8,742,856 out of which 6,201,540 acquired on behalf of policyholders.

9.3 This represents investment in ordinary shares of Security General Insurance Company Limited. The breakup value of each ordinary share of Rs. 10 is Rs. 424 based on the nine months unaudited financial statements available for the period ended 30 September 2025. The Subsidiary Company's holding as at the year end is 0.67% (number of shares: 457,038) [(2024: 0.67%) (number of shares: 457,038)]. The Chief Executive Officer of Security General Insurance Company Limited is Mr. Farrukh Aleem.

9.4 This represents investment in ordinary shares of Planet N (Private) Limited. The breakup value of each ordinary share of Rs. 10 is Rs. 32.88 based on the latest financial statements available for the year ended 30 June 2025. The Subsidiary Company's holding as at the year end is 0.76% (number of shares: 151,622) [(2024: 0.76%) (number of shares:151,622)]. The Chief Executive Officer of Planet N (Private) Limited is Mr. Nadeem Hussain.

9.5 This represents investment in ordinary shares of Khushali Microfinance bank Limited. The breakup value of each ordinary share of Rs. 10 is Rs. 27 based on the latest financial statements available for the quarter ended 30 September 2023. The Subsidiary Company's holding as at the year end is 0.08% (number of shares: 2,494,103). The Chief Executive Officer of Khushali bank Limited is Mr. Aameer Karachiwalla.

10 INVESTMENTS IN DEBT SECURITIES

		2025			2024		
	Note	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
(Rupees in '000)							
Held-to-maturity							
Government securities	10.1	18,010,043	-	18,010,043	14,981,708	-	14,981,708
Available-for-sale							
Government securities		8,309,109	-	8,309,109	13,657,769	-	13,657,769
Term finance certificate / preference shares*		240,637	(40,637)	200,000	240,637	(40,637)	200,000
Corporate sukuks		102,000	-	102,000	102,000	-	102,000
Surplus on revaluation		-	-	365,313	-	-	524,150
	10.2	8,651,746	(40,637)	8,976,422	14,000,406	(40,637)	14,483,919
Held-for-trading							
Government securities	10.3	164,756,146	-	166,007,925	166,576,622	-	169,528,521
Term finance certificates	10.4	4,985,000	-	4,844,261	5,021,667	(40,670)	4,980,997
Corporate sukuks	10.5	2,222,815	(37,500)	1,331,941	1,752,544	(105,613)	1,646,931
Certificates of investment	10.6	981,000	-	981,000	981,000	-	981,000
		172,944,961	(37,500)	173,165,127	174,331,833	(146,283)	177,137,449
		199,606,750	(78,137)	200,151,592	203,313,947	(186,920)	206,603,076

*During the year, Agritech Limited has issued and transferred non-convertible preference shares against term finance certificates (TFCs) previously held by the Group Company. Therefore, the Group Company has derecognized fully impaired term finance certificates and recognize preference shares (without considering the revised amount) thereagainst along with the respective provision held against the TFCs.

10.1 Held-to-maturity

05 Years Pakistan investment bond
10 Years Pakistan investment bond
03 Months Treasury bills
06 Months Treasury bills
12 Months Treasury bills
01 Year Government ijara sukuk
03 Year Government ijara sukuk
05 Year Government ijara sukuk
10 Year Government ijara sukuk

2026-2030	10.50% - 14.15%	7,112,103	7,290,000	7,112,103
2028-2035	8.00% - 15.25%	929,364	1,058,500	929,364
2026	11.30% - 11.96%	991,625	1,005,000	991,625
2026	11.34% - 12.00%	1,020,859	1,040,000	1,020,859
2026	11.00% - 18.42%	6,354,638	6,653,439	6,354,638
2026	10.45%	436,269	470,000	436,269
2026	10.65% - 19.69%	260,966	261,000	260,966
2027-2028	8.37% - 18.99%	779,407	765,288	779,407
2035	8.37% - 18.99%	124,812	125,000	124,812
		<u>18,010,043</u>	<u>18,668,227</u>	<u>18,010,043</u>

Held-to-maturity

05 Years Pakistan investment bond
10 Years Pakistan investment bond
03 Months Treasury bills
06 Months Treasury bills
12 Months Treasury bills
03 Year Government ijara sukuk
05 Year Government ijara sukuk
10 Years Pakistan Energy Sukuk I
10 Years Pakistan Energy Sukuk II

2027	10.5% - 15.99%	6,293,836	6,505,000	6,293,836
2028	8.00% - 15.24%	828,114	972,500	828,114
2025	11.32% - 13.07%	214,810	220,000	214,810
2025	11.90% - 19.85%	2,638,108	2,753,000	2,638,108
2025	12.10% - 20.84%	3,321,082	3,557,690	3,321,082
2026	12.61% - 19.69%	259,192	261,000	259,192
2025 - 2028	8.375% - 18.99%	787,292	772,000	787,292
2029	18.71%	187,076	170,000	187,076
2030	13.54%	452,198	450,000	452,198
		<u>14,981,708</u>	<u>15,661,190</u>	<u>14,981,708</u>

10.2 Available-for-sale

Name of security

Government securities

3 Years Pakistan investment bonds*
3 Years Pakistan investment bonds*
10 Years Pakistan investment bonds*

Term Finance Certificates (TFCs) - quoted

Soneri Bank Limited Others
Habib Bank Limited Others

Corporate Sukuks - quoted

Dubai Islamic Bank Limited - tier I (others)
Dubai Islamic Bank Limited - tier II (others)

Name of security	Maturity year	Effective yield %	Profit payment	Face value	2024
Government securities					
3 Years Pakistan investment bonds*	2026	16.41% to 16.50%	Half yearly	944,800	942,278
3 Years Pakistan investment bonds*	2027	14.70% to 14.90%	Half yearly	8,018,400	8,261,486
12 months Treasury bills*	2025	17.12%	On maturity	2,010,000	1,877,943
5 Years GOP ijara sukuks*	2027	13.41%	Half yearly	2,832,500	2,920,364
10 Years Pakistan investment bonds*	2028	13.35%	Half yearly	200,000	179,804
				A	14,181,875
Term finance certificates (TFCs) - quoted					
Agritech Limited - 3rd Issue (B) **	2017	11.00%	Half yearly	5,665	-
Agritech Limited - 3rd Issue (A) **	2019	13.35%	Quarterly	34,972	-
Soneri Bank Limited (others)	2026	18.97%	Half yearly	100,000	100,000
Habib Bank Limited (others)	Perpetual	18.66%	Quarterly	100,000	100,000
				B	200,000
Corporate Sukuks - quoted					
Dubai Islamic Bank Limited - tier I (others)	Perpetual	17.66%	Monthly	80,000	80,000
Dubai Islamic Bank Limited - tier II (others)	2032	17.51%	Half yearly	22,000	22,044
				C	102,044
				D = A + B + C	14,483,919

*The amount of Pakistan investment bonds includes Rs. 235 million (2024: Rs. 235 million) deposited with the State Bank of Pakistan as required by Section 29 of the Insurance Ordinance, 2000 and Rs. 500 million deposited with NCCPL (2024:115 million)

Term finance certificate, preference shares and corporate sukuks	No. of Certificate		Face Value	Value of Certificate	
	2025	2024		2025	2024
			(Rupees in '000)		
Agritech Ltd. - 3rd Issue (B) (others)	1,133	1,133	5,000	-	-
Agritech Ltd. - 3rd Issue (A) (others)	7,000	7,000	5,000	-	-
Soneri Bank Limited (others)	20,000	20,000	5,000	100,000	100,000
Habib Bank Limited (others)	1,000	1,000	100,000	100,000	100,000
Dubai Islamic Bank Limited - tier I (others)	16,000	16,000	5,000	80,000	80,000
Dubai Islamic Bank Limited - tier II (others)	4,400	4,400	5,000	22,000	22,000
	49,533	49,533		302,000	302,000

10.3 Fair value through profit or loss designated - upon initial recognition	2025				
	Maturity year	Effective yield (%)	Amortized cost	Principal repayment	Carrying value
			(Rupees in '000)		
02 Years Pakistan investment bond	2026	12.57% - 13.98%	1,267,566	1,375,000	1,278,809
03 Years Pakistan investment bond	2026	11.67% - 13.87%	14,718,213	15,050,000	15,161,535
05 Years Pakistan investment bond	2026-2030	10.50% - 15.25%	22,920,939	23,430,000	23,264,744
10 Years Pakistan investment bond	2029-2035	10.00% - 10.90%	32,924,843	34,550,000	33,325,406
01 Months Treasury bills	2026	10.77% - 12.05%	498,974	500,000	498,861
03 Months Treasury bills	2026	10.98% - 11.96%	4,383,012	4,439,000	4,383,712
06 Months Treasury bills	2026	10.98% - 12.00%	18,392,738	18,745,000	18,392,324
12 Months Treasury bills	2026	10.92% - 18.42%	38,560,350	40,949,130	38,573,826
01 Year Government ijara sukuk	2026	10.25% - 15.99%	1,367,575	1,437,500	1,369,609
03 Year Government ijara sukuk	2026-2028	10.64% - 19.69%	4,759,515	4,754,000	4,773,073
05 Year Government ijara sukuk	2025-2030	8.37% - 19.69%	23,881,631	23,722,712	23,899,466
10 Year Government ijara sukuk	2034-2035	10.77% - 14.10%	1,080,790	1,076,000	1,086,560
			164,756,146	170,028,342	166,007,925

Fair value through profit or loss designated - upon initial recognition	2024				
	Maturity year	Effective yield (%)	Amortized cost	Principal repayment	Carrying value
			(Rupees in '000)		
02 Years Pakistan investment bond	2026	13.52%	1,151,096	1,375,000	1,120,522
05 Years Pakistan investment bond	2025	7.50%	121,931	125,000	120,748
03 Years Pakistan investment bond	2026	15.06%	443,836	450,000	444,885
03 Years Pakistan investment bond	2026	12.00%	13,702,805	14,600,000	14,556,010
05 Years Pakistan investment bond	2029	10.00%	5,053,076	5,200,000	5,069,480
05 Years Pakistan investment bond	2029	14.23%	48,353	50,000	48,540
05 Years Pakistan investment bond	2028	14.15%	2,904,681	3,000,000	2,937,300
05 Years Pakistan investment bond	2026	13.34%	496,233	500,000	498,400
05 Years Pakistan investment bond	2027	10.50%	198,382	225,000	215,090
05 Years Pakistan investment bond	2028	14.15%	4,197,051	4,330,000	4,222,616
10 Years Pakistan investment bond	2034	15.24%	749,122	800,000	748,320
10 Years Pakistan investment bond	2029	10.00%	119,186	125,000	114,569
03 Months Treasury bills	2025	11.63% - 15.22%	3,371,068	3,425,000	3,371,063
06 Months Treasury bills	2025	13.19% - 19.85%	8,974,259	9,277,000	9,023,119
12 Months Treasury bills	2025	12.10% - 20.84%	97,214,790	105,009,235	98,699,501
01 Year Government ijarah sukuk	2025	11.00% - 20.24%	3,242,892	3,530,000	3,325,957
03 Year Government ijarah sukuk	2026 - 2027	11.59% - 19.69%	4,238,919	4,236,500	4,304,522
05 Year Government ijarah sukuk	2025 - 2029	11.40% - 18.99%	19,257,838	19,140,000	19,616,453
10 Year Government ijarah sukuk	2034	14.10%	127,178	125,000	127,500
10 Years Pakistan Energy Sukuk I	2029 - 2034	16.53% - 19.89%	913,682	830,000	913,682
10 Years Pakistan Energy Sukuk II	2030	13.54%	50,244	50,000	50,244
			166,576,622	176,402,735	169,528,521

Market value of government securities carried at amortized cost amounted to Rs. 14,886 million (2024: Rs. 13,593 million).

Government securities include Rs.137 million (2024: Rs. 137 million) placed with the State Bank of Pakistan, in accordance with section 29 of the Insurance Ordinance, 2000.

10.4 Term finance certificates

	Maturity	No. of certificate		Face value	Carrying value	
		2025	2024		2025	2024
(Rupees in '000)						
Others						
Kashf Foundation	2026	1,000	1,000	100	50,000	100,000
Askari Bank Limited	2028	-	100	1,000	-	99,500
TPL Corporation	2030	200	200	100	8,800	14,667
Bank Al Habib Limited	2027	40,000	40,000	5	200,000	200,000
Bank Al Habib Limited	2032	77,000	77,000	5	394,659	390,438
Bank of Punjab	2032	5,000	5,000	100	500,000	500,000
United Bank Limited	Perpetual	200,000	200,000	5	1,000,000	1,000,000
Habib Bank Limited	Perpetual	2,000	2,000	100	200,000	200,000
Soneri Bank Limited	Perpetual	10,000	10,000	5	50,000	50,000
Bank Al Falah limited	Perpetual	100,000	100,000	5	500,000	500,000
Bank Al Falah limited	Perpetual	20,000	20,000	5	100,000	100,000
Bank Al Habib Limited	Perpetual	40,000	40,000	5	200,000	200,000
Askari Bank Limited	Perpetual	450	450	1,000	450,000	450,000
Bank of Punjab	Perpetual	3,950	3,950	100	395,000	395,000
Bank of Punjab	Perpetual	5,000	5,000	100	490,759	490,955
					4,539,218	4,690,560
Held-to-maturity						
Askari Bank Limited	Perpetual	50	50	1,000	50,000	50,000
Bank of Punjab	Perpetual	50	50	100	5,000	5,000
United Bank Limited	Perpetual	50,000	50,000	5	250,043	250,104
					4,844,261	4,995,664

10.5 Corporate sukuks

Fair value through profit or loss

	Maturity	No. of certificate		Face value	Carrying value	
		2025	2024		2025	2024
		(Rupees in '000)				
Others						
TPL Trakker	2026	25	25	100	1,414	7,039
Neelum Jehlum Hydro Power Company Limited	2026	12,500	12,500	100	69,555	198,884
Pakistan Services Limited	2027	250	250	100	19,137	53,159
TPL Corporation	2027	200	200	100	10,000	16,667
Dubai Islamic Bank Limited	2028	20,000	20,000	5	100,000	100,000
K-Electric Limited	2029	120,000	120,000	100	491,520	616,200
Meezan Bank Limited	Perpetual	100,000	100,000	1,000	500,000	500,000
Related parties						
Bank Islami Pakistan Limited	Perpetual	28,063	28,063	5	140,315	140,315
					1,331,941	1,632,264

10.6 Certificates of investment

First Habib Modarba Limited	2026	6	6	163,500	<u>981,000</u>	<u>981,000</u>
					Note	
					<u>2025</u>	<u>2024</u>
					(Rupees in '000)	

10.7 Reconciliation of provision

Balance at the beginning of the year	37,500	37,500
Provision for impairment in the value of investment	-	-
Balance at the end of the year	<u>37,500</u>	<u>37,500</u>

11 INVESTMENTS IN TERM DEPOSITS

Held-to-maturity			
Deposits maturing within 12 months	11.1	3,366,729	347,429
Term deposits certificates - local currency	11.2	719,916	665,734
Term deposits certificates - foreign currency		4,086,645	1,013,163

11.1 The rate of return on term deposit certificates issued by banks are 9.25 % to 11.08 % per annum (2024: 13.50 % to 23.00 % per annum) depending on tenure. These term deposit certificates have tenure of one to three months. These include term deposit of Rs. 26.73 million (2024: Rs. 17.43 million) and Rs. 40 million (2024: Rs. 130 million) held with JS Bank Limited and Bank Islami (Pakistan) Limited (related parties) respectively, which carries a markup at the rate 9.90% to 16.00% (2024: 9.90% to 16.00%) and 10.00% (2024: 10.00%) respectively.

11.2 The rate of return on foreign currency term deposit certificates issued by various banks range from is 03.25 % to 05.25 % per annum (2024: 03.25 % to 5.00 % per annum) depending on tenure. These term deposit certificates have maturities up to 31 October 2026.

	2025			2024		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
12 INVESTMENTS IN OPEN-ENDED MUTUAL FUNDS	----- (Rupees in '000) -----					
Fair value through profit or loss - designated - upon initial recognition						
Related parties	2,088,877	-	2,391,754	1,728,498	-	1,959,414
Others	8,108,821	-	10,381,550	2,899,739	-	3,682,934
Available-for-sale	10,197,698	-	12,773,304	4,628,237	-	5,642,348
Related parties	1,058,014	-	1,058,014	974,296	-	974,296
Others	350,290	-	350,290	-	-	-
Surplus on revaluation	-	-	103,431	-	-	66,839
	1,408,304	-	1,511,735	974,296	-	1,041,135
	11,606,002	-	14,285,039	5,602,533	-	6,683,483

13 LOANS AND OTHER RECEIVABLES - considered good	Note	2025	2024
		----- (Rupees in '000) -----	
Accrued investment income		4,650,835	3,587,756
Receivable against sales of securities	13.2	695,192	21,997
Advances to suppliers		533,151	431,150
Security deposits	13.1	515,598	345,095
Other receivables		352,232	242,288
Advances to employees and agents		449,328	540,281
Loans to employees		146,429	122,951
		7,342,765	5,291,518

13.1

The Holding Company has deposited Rs 215 million in 2024 to the Nazir of Sindh High Court in compliance with the Court's order relating to collection of Workers' Welfare Fund (WWF) contributions as disclosed in note 24.1.10.

13.2

Since the Holding Company follows trade date accounting, a receivable from NCCPL has been recorded for Rs. 695.20 million which will be settled as per the T+2 rule.

14 INSURANCE / REINSURANCE RECEIVABLES - unsecured and considered good	Note	2025	2024
		----- (Rupees in '000) -----	
Due from insurance contractholders		8,842,328	8,508,083
Provision for impairment of receivables from insurance contractholders	14.1	(153,738)	(14,883)
		8,688,590	8,493,200
Due from other insurer / reinsurers		1,158,788	532,769
		9,847,378	9,025,969

14.1

Provision for impairment of receivables from insurance contractholders

Balance as on 01 January	14,883	1,059
Charge during the year	138,855	13,824
Balance as on 31 December	153,738	14,883

15 PREPAYMENTS		
Prepaid reinsurance premium ceded	12,968,872	10,661,140
Prepaid expenses	172,924	16,667
Prepaid charges for vehicle tracking devices	21,293	30,253
Prepaid rent	9,324	156,047
	13,172,413	10,864,107

			2025	2024
	Note		(Rupees in '000)	
16	CASH AND BANK			
		Cash in hand	319	330
		Policy and revenue stamps, bond papers	72,446	49,977
			72,765	50,307
		Cash at bank		
		- foreign currency		
		Current accounts	16,105	25,284
		- local currency		
		Current accounts	1,022,935	732,827
		Saving accounts	6,873,705	6,578,997
	16.1 & 16.2			
	16.3		7,896,640	7,311,824
			7,985,510	7,387,415
16.1	The rate of return on saving accounts from various banks ranges from 7.29% to 11.50% per annum (2024: 6.50% to 11.50% per annum) depending on the size of average deposits.			
16.2	This includes an amount of Rs. 39 million (2024: Rs. 39 million) under lien with commercial banks against bank guarantees and credit facility against corporate credit cards. The Holding Company contends that this can be used as cash and cash equivalent and there is no restriction imposed by commercial banks.			
16.3	Cash at bank includes Rs. 2,419 million (2024: Rs. 2,329 million) held with related parties			
16.4	Cash and cash equivalents includes the following for the purposes of the cash flow statement:			
			2025	2024
			(Rupees in '000)	
		Term deposit less than three months	3,754,631	692,831
		Cash and bank	7,985,510	7,387,415
			11,740,141	8,080,246
17	SHARE CAPITAL			
17.1	Authorized share capital			
		2025	2024	
		(Number of shares in '000)	(Rupees in '000)	
		200,000	200,000	
17.2	Issued, subscribed and paid-up share capital			
		2025	2024	
		(Number of shares in '000)	(Rupees in '000)	
		250	250	Ordinary shares of Rs. 10 each, fully paid in cash.
		199,750	199,750	Ordinary shares of Rs. 10 each, issued as fully
		200,000	200,000	paid bonus shares.

17.3	RESERVES	Note	2025	2024
			(Rupees in '000)	
	Capital reserve			
	Reserve for exceptional losses	17.3.1	12,902	12,902
	Revaluation reserve for unrealized gain on available-for- sale investments - net		2,606,942	2,804,003
	Exchange translation reserve - net		193,704	191,764
	Reserve for change in fair value of investment properties - net		2,131,302	1,967,061
			4,944,850	4,975,730
	Revenue reserves			
	General reserve		15,000,000	14,000,000
			19,944,850	18,975,730
	Unappropriated profit		4,363,214	1,962,523
			24,308,064	20,938,253
17.3.1	The reserve for exceptional losses was created prior to 1979 and was charged to income in accordance with the provisions of the repealed Income Tax Act, 1922 and has been so retained to date.			
18	SURPLUS ON REVALUATION OF PROPERTY AND EQUIPMENT	Note	2025	2024
			(Rupees in '000)	
	Surplus arising on revaluation of property and equipment - net			
	Equity holders		1,870,864	1,747,021
	Non-controlling interest		616,446	586,418
			2,487,310	2,333,439
19	INSURANCE LIABILITIES - LIFE INSURANCE BUSINESS			
	Reported outstanding claims	19.1	8,319,969	7,125,015
	Incurred but not reported claims	19.2	2,248,823	2,157,018
	Investment component of unit-linked and account value policies	19.3	258,824,800	228,314,108
	Liabilities under individual conventional insurance contracts	19.4	917,366	890,155
	Liabilities under group insurance contracts (other than investment linked)	19.5	6,151,717	2,944,183
	Participant's takaful fund balance		1,232,360	826,381
			277,695,035	242,256,860
19.1	Reported outstanding claims			
	Gross of reinsurance			
	Payable within one year		7,766,730	6,588,587
	Payable over a period of time exceeding one year		1,095,640	942,926
			8,862,370	7,531,513
	Recoverable from reinsurers			
	Receivable over a period of time exceeding one year		(542,401)	(406,498)
	Net reported outstanding claims		8,319,969	7,125,015
19.2	Incurred but not reported claims			
	Gross of reinsurance		3,086,384	2,862,381
	Reinsurance recoveries		(837,561)	(705,363)
	Net of reinsurance		2,248,823	2,157,018

		2025	2024
		(Rupees in '000)	
19.3	Investment component of unit-linked and account value policies		
	Investment component of unit-linked policies	258,824,800	228,314,108
19.4	Liabilities under individual conventional insurance contracts		
	Gross of reinsurance	1,123,658	1,082,704
	Reinsurance credit	(206,292)	(192,549)
	Net of reinsurance	917,366	890,155
19.5	Liabilities under group insurance contracts (other than investment linked)		
	Gross of reinsurance	7,113,400	3,734,669
	Reinsurance credit	(961,683)	(790,486)
	Net of reinsurance	6,151,717	2,944,183

20 RETIREMENT BENEFIT OBLIGATIONS

The latest actuarial valuation as at 2025 uses a discount rate of 11.00 % (2024: 12.25 %) for defined benefit obligation and plan assets. Basic salary and pension increases to average 09.00 % and 03.00 % (2024: 10.25 % and 3.00 %) respectively per annum in the long term.

Actuarial valuations were conducted using the projected unit credit method. The Holding Company contributes to the pension and gratuity funds on the advice of the funds' actuary. The contributions are equal the current service cost with adjustment for any deficit. If there is a surplus, the Holding Company takes a contribution holiday.

		2025		2024	
		Pension	Gratuity	Pension	Gratuity
		(Rupees in '000)			
20.1	Reconciliation of the present value of defined benefit obligations				
	At the beginning of the year	286,996	636,459	186,238	593,710
	Current service cost	248	33,698	144	28,074
	Interest cost	32,727	71,709	26,559	83,672
	Remeasurement loss due to:				
	Change in demographic assumptions	-	-	(98)	3,819
	Change in financial assumptions	19,758	(780)	78,788	28,111
	Experience	(2,805)	92,231	30,588	23,987
	Benefits paid	(39,664)	(102,166)	(35,223)	(124,914)
	At the end of the year	297,260	731,151	286,996	636,459
20.2	Changes in fair value of plan assets				
	At the beginning of the year	288,676	555,039	274,431	549,068
	Interest income	32,938	64,452	40,490	79,323
	Remeasurement gain / (loss) due to investment return	21,180	49,833	8,458	17,502
	Contributions paid by the Holding Company	17	44,362	104	34,060
	Contributions paid by employees	66	-	416	-
	Benefits paid	(39,664)	(102,166)	(35,223)	(124,914)
	At the end of the year	303,213	611,520	288,676	555,039
20.3	Charge to profit and loss account				
	Service cost				
	Current service cost	248	33,698	144	28,074
	Employee contributions	(66)	-	(416)	-
	Net interest (income) / cost	(211)	7,257	(13,931)	4,349
	Chargeable in profit and loss account	(29)	40,955	(14,203)	32,423

20.3.1 The charge to pension and gratuity fund for the year 2025 amounts to Rs. 41 million (2024: Rs. 18 million).

20.4 Remeasurements recognized in other comprehensive income

	Note	2025		2024	
		Pension	Gratuity	Pension	Gratuity
		(Rupees in '000)			
Change in demographic assumptions		-	-	(98)	3,819
Change in financial assumptions		19,758	(780)	78,788	28,111
Experience on obligation		(2,805)	92,231	30,588	23,987
Investment return		(21,180)	(49,833)	(8,458)	(17,502)
Chargeable in statement of comprehensive income		(4,227)	41,618	100,820	38,415
Total defined benefit cost		(4,256)	82,573	86,617	70,838
20.5 (Asset) / liability on statement of financial position					
At the beginning of the year		(1,680)	81,420	(88,193)	44,642
Defined benefit cost		(4,256)	82,573	86,617	70,838
Contributions paid by the Holding Company		(17)	(44,362)	(104)	(34,060)
		(5,953)	119,631	(1,680)	81,420
Retirement benefit obligation allocated to takaful	20.5.1	-	(639)	-	(484)
At the end of the year		(5,953)	118,992	(1,680)	80,936
Reconciliation					
Obligation		297,260	731,151	286,996	636,459
Plan assets		(303,213)	(611,520)	(288,676)	(555,039)
Retirement benefit obligation allocated to takaful	20.5.1	-	(639)	-	(484)
Net (asset) / liability on statement of financial position		(5,953)	118,992	(1,680)	80,936

20.5.1 Holding Company's actuary for retirement benefits provides a consolidated report for all its employees including employees in window takaful operations. The management allocates the retirement benefit obligation based on the number of employees in the takaful operations as a ratio of their total employees.

20.5.2 The weighted average of plan durations has decreased from 5.9 years on 31 December 2024 to 5.7 years on 31 December 2025.

20.6 Historical data

		2024	2023	2022	2021	2020
		(Rupees in '000)				
Pension						
Present value of defined benefit obligation		286,996	186,238	185,225	197,805	222,860
Fair value of plan assets		(288,676)	(274,431)	(254,451)	(257,769)	(267,126)
(Surplus) / deficit		(1,680)	(88,193)	(69,226)	(59,964)	(44,266)
Experience adjustment:						
- Actuarial (loss) / gain on obligation		30,588	2,224	2,224	(323)	(3,874)
- Actuarial (loss) / gain on assets		8,458	12,870	12,870	(11,931)	13,954
Gratuity						
Present value of defined benefit obligation		636,459	593,710	591,491	549,731	511,467
Fair value of plan assets		(555,039)	(549,068)	(507,985)	(480,563)	(501,662)
Surplus / (deficit)		81,420	44,642	83,506	69,168	9,805
Remeasurements due to:						
- Actuarial (loss) / gain on obligation		23,987	12,113	31,873	31,873	18,549
- Actuarial (loss) / gain on assets		17,502	49,759	(24,592)	(17,780)	26,721

20.7 Composition of fair value of plan assets

Fund investments	Pension				Gratuity			
	2025		2024		2025		2024	
	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)	%	(Rupees in '000)
Debt	80%	242,149	98%	270,860	67%	407,148	94%	499,859
Equity	11%	34,643	2%	7,902	29%	177,290	6%	44,918
Others (including cash and bank balances)	9%	26,421	0%	9,914	4%	27,082	0%	10,262
	100%	303,213	100%	288,676	100%	611,520	100%	555,039

The expected charge to pension and gratuity fund for the year 2025 amounts to Rs. 41 million.

20.8 Sensitivity analysis on significant actuarial assumptions: Actuarial liability

Impact on obligation of 1 % change in assumptions

Assumptions	1 % increase	1 % decrease
	(Rupees in '000)	
Discount rate		
Salary	(48,861)	54,191
Pension	36,622	(33,711)
Weighted average duration of the plan is 5.7 years.	19,212	(17,365)
	Pension	Gratuity
	(Rupees in '000)	
Projected payments		
Company contributions 2025	28	52,554
Benefit payments:		
2026	42,829	105,309
2027	42,568	89,086
2028	41,417	118,220
2029	39,856	226,822
2030	39,109	91,013
2031 - 2035	179,053	420,026

20.9 Provident fund

The following information of the Subsidiary Company based on unaudited financial statements of their fund as at 31 December 2025:

	2025	2024	2025	2024
	(Rupees in '000)		%	
Size of the fund - total assets	1,030,166	929,607		
Cost of investments	891,631	839,868	87%	90%
Fair value of investments	942,837	893,938	92%	96%
The breakup of fair value of investment in provident fund is as follows:				
Government securities	398,635	689,547	42%	77%
Open-end mutual fund	1,034	198,363	0%	22%
Shares	543,167	6,028	58%	0%
	942,837	893,938	100%	100%

20.9.1 The above investments out of provident fund have been made in accordance with the requirement of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

20.10	Pension funds	2025	2024	2025	2024
		(Rupees in '000)		%	
	Size of the fund - total assets	852,687	776,828		
	Cost of investments	821,401	733,908	96%	94%
	Fair value of investments	847,886	768,029	99%	99%

20.10.1 The breakup of fair value of investment in pension fund is as follows:

Government securities	117,410	660,010	14%	86%
Open-end mutual fund	407	107,715	0%	14%
Shares	730,069	304	86%	0%
	847,886	768,029	100%	100%

21 DEFERRED TAXATION

Deferred debits arising in respect of:

Impairment of goodwill	(1,914,131)	(1,568,566)
Impairment of available-for-sale equity securities	(1,348,497)	(1,423,877)
Accelerated tax depreciation / amortization	(355,717)	-
Right-of-use assets	(70,794)	(50,476)
Premium due but unpaid	(34,547)	(5,804)
Defined benefit plan	(22,167)	(78,413)
Impairment of preference shares / TFCs	(15,848)	(15,848)
	(3,761,701)	(3,142,984)

Deferred credits arising in respect of:

Unrealized gain on available-for-sale investments	2,895,861	2,990,850
Revaluation of property and equipment and intangibles	2,540,742	2,090,192
Retained earning ledger Account D	1,807,159	1,531,707
Fair value of investment properties	1,362,634	1,257,628
Effect of translation of foreign branch	85,536	84,296
Unrealized gain on investments at held-for-trading	10,413	484
Accelerated tax depreciation / amortization	-	123,826
	8,702,345	8,078,983
	4,940,644	4,935,999

22 INSURANCE / REINSURANCE PAYABLES

Due to reinsurers / retakaful	7,640,394	8,022,899
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The Group has coinsurance and reinsurance arrangements with various insurance and a domestic reinsurance companies. Under the above arrangements, the receivable and payable balances originate mainly due to premiums collected or claims settled by the lead insurer on behalf of other coinsurers, and in case of reinsurance, the premium ceded to and claims recoverable from the reinsurer under the respective contracts. As per the prevailing industry practices, settlements of balances under coinsurance arrangements are done between the respective insurance companies in normal course of business.

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

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

		Note	2025	2024
			(Rupees in '000)	
23	OTHER CREDITORS AND ACCRUALS			
	Agent commission payable		2,009,308	1,586,333
	Accrued expenses		2,236,234	1,783,686
	Security deposit against bond insurance		2,043,068	1,311,076
	Lease liability	23.1	1,226,338	732,848
	Unclaimed / unpaid dividends		684,474	630,131
	Sales tax payable		581,294	647,064
	Payable to regulatory authorities		328,002	328,550
	Workers' welfare fund		450,196	399,990
	Amount due to employees		316,991	294,537
	Payable to supplier and others		115,699	101,509
	Unearned rentals		90,001	98,205
	Others		77,441	356,477
	Federal insurance fee payable		10,667	18,533
			10,169,713	8,288,939
23.1	Lease liability			
	Current		74,772	68,014
	Non-current		1,151,566	664,834
			1,226,338	732,848

24 CONTINGENCIES AND COMMITMENTS

The income tax assessment of the Group has been finalized up to the tax year 2025.

24.1 Holding Company

24.1.1 The Income Tax Department made an assessment order for the assessment years 1999-2000 and 2000-2001 by adding back provisions for the bonus to staff, provision for gratuity and excess management expenses. The Holding Company had filed appeals before the Commissioner, of Inland Revenue (Appeals). The appeals have been decided in the favor of the Income Tax Department. The Holding Company has filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Holding Company a tax liability of Rs. 13 million would arise.

24.1.2 The Income Tax Department (Audit) made an assessment order for the assessment year 2002-2003 by adding certain items. The Holding Company had filed an appeal before the Commissioner of Income Tax (Appeals). The appeal was decided in favor of the Holding Company. The Department had filed an appeal before the Income Tax Appellate Tribunal (ITAT) and the same has been decided in the favor of the Holding Company. The Department has filed an appeal before the High Court of Sindh against the order of the Income Tax Appellate Tribunal (ITAT) in respect of the estimated liability of claims, excess perquisites and retrocession commission. If the appeal is decided against the Holding Company a tax liability of Rs. 76 million would arise.

24.1.3 The Commissioner of Inland Revenue (Audit) amended the tax assessment of the Holding Company for the tax year 2005 to 2007 by disallowing prorated expenses. The Holding Company had filed appeals before the Commissioner of Income Tax (Appeals). The appeals were decided in favor of the Holding Company. The Department then filed appeals before the Income Tax Appellate Tribunal (ITAT). The Income Tax Appellate Tribunal (ITAT) passed an order in favor of the Holding Company. The Department then filed a reference before the High Court of Sindh. The High Court of Sindh maintained the decision of the Income Tax Appellate Tribunal (ITAT). The Department has filed appeals before the Supreme Court of Pakistan against the decision of the High Court of Sindh in respect of proration of expenses and if the appeals are decided against the Holding Company, a tax liability of Rs. 37 million would arise.

24.1.4 The Commissioner Inland Revenue (Audit) amended the tax assessment of the Holding Company for the tax year 2008 by adding capital gain on investments, depreciation on leased assets, admissible expenses, reinsurance premium ceded, provision for leave encashment, amortization of premium relative to par and provision for outstanding claims (IBNR). The Holding Company filed an appeal before the Commission of Income Tax (Appeals) against the order of the Income Tax Commissioner (Audit). The Appeal was decided in favor of the Holding Company except addition made on account of the reinsurance premium ceded. The Holding Company had filed an appeal before the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for maintaining the decision of the Income Tax Commissioner (Audit) with respect to confirming the addition made on account of reinsurance premium ceded. The Income Tax Appellate Tribunal (ITAT) decided the case in favor of the Holding Company. The Department had filed an appeal in the Income Tax Appellate Tribunal (ITAT) against the decision of the Income Tax Commissioner (Appeals) for the deletion of Capital Gain on Investment, provision for Leave Encashment, and Depreciation on Leased Assets. The Income Tax Appellate Tribunal (ITAT) decided the case in favor of the Holding Company. The Department has filed appeals before the High Court of Sindh against the decision of the Income Tax Appellate Tribunal (ITAT) in respect of tax on reinsurance premium, deletion of Capital Gains on Investments, Provision for Leave Encashment, and Depreciation on Leased Assets. If the appeals are decided against the Holding Company, a tax liability of Rs. 5,099 million would be payable. The High Court of Sindh has issued orders in favor of the assesses on identical cases.

24.1.5 The Department has filed an appeal for tax years 2015 to 2016 before the Income Tax Appellate Tribunal (ITAT) against the order of the Commissioner (Appeal) in respect of Dividend Income taxed at the reduced rate. If the appeal is decided against the Holding Company, a tax liability of Rs. 240 million would arise.

24.1.6 The Commissioner of Inland Revenue (Audit) has made an addition to the income of Tax years 2017 and 2019 on account of the fair market value of motor vehicles. The Holding Company has filed appeals before the Commissioner of Income Tax (Appeals). The Commissioner of Income Tax (Appeals) has confirmed the action of the Commissioner, of Inland Revenue (Audit). The Holding Company then filed appeals before the Income Tax Appellate Tribunal (ITAT). If the appeals are decided against the Holding Company, a tax liability of Rs. 2 million would arise. The Income-tax Appellate Tribunal (ITAT) has issued orders in favor of the Holding Company on this issue in previous years.

24.1.7 The Commissioner of Inland Revenue (Audit) has made an addition to the income of the Tax year 2022 on account of expenses. The Holding Company has filed appeals before the Commissioner of Income Tax (Appeals). If the appeal is decided against the Holding Company, a tax liability of Rs. 3 million would arise.

24.1.8 The Commissioner Inland Revenue (Audit) has made an addition to the income of the Tax year 2023 on account of Agent Commission Payable and expenses. The Holding Company has filed appeals before the Commissioner Income Tax (Appeals). If the appeal is decided against the Holding Company, a Tax liability of Rs. 6 million would arise.

24.1.9 Following the 18th Amendment to the Constitution, the Governments of Sindh, Punjab, and Balochistan introduced the Workers Welfare Fund (WWF) levy through the Sindh WWF Act, 2014, the Punjab Workers Welfare Fund Act, 2019, and the Balochistan Workers Welfare Fund Act, 2022. Notably, the Sindh WWF Act, 2014, was further amended in 2022 to encompass entities under the Shops Act. As a result of this amendment, insurance companies, which were previously exempt, are now required to contribute to the WWF under the provisions of the Sindh WWF Act.

24.1.10 The Sindh Revenue Board (SRB) issued a notice to the Holding Company, demanding WWF contributions for the years 2022 and 2023. The Holding Company challenged this notice before the Honorable High Court of Sindh, contending that it operates as a trans-provincial entity across multiple provinces, and therefore, the Act cannot be applied to such

	companies. As a result, the Court issued an order restraining the SRB from collecting or recovering the WWF in Sindh, subject to the submission of the disputed amount, as stated in the notice, via Pay Order to the Nazir of the Court. The Court further directed that once this amount is deposited, the SRB must maintain the status quo. In compliance with the Court's order, the Holding Company has submitted a Pay Order amounting to Rs. 215 million.
24.1.11	The Sindh Revenue Board has issued SCNs under section 23 (1) of the Sindh Sales Tax on Services Act 2011 in respect of sales tax on reinsurance services, from July 2011 to December 2015, acquired from foreign reinsurers. The Sindh High Court ruled in favour of the department in January 2025, but the Holding Company, together with other insurers, has appealed the decision to the Supreme Court of Pakistan. The matter has since been transferred to the Federal Constitutional Court under CPLA No. 1040 of 2025. Legal advisors have confirmed that the Holding Company has a strong arguable case with a likelihood of a favourable outcome, and therefore no provision has been recorded in the financial statements at this stage.
24.1.12	In 2014, 2015, 2016, 2017 and 2018, Searle Company Limited issued bonus shares (453,612, 312,993, 664,632, 472,284 and 443,697 shares, respectively) after withholding 5 percent of bonus shares (22,680, 15,650, 34,981, 24,857 and 21,360 shares respectively). In this regard, a constitutional petition had been filed by the Holding Company in the High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Holding Company. The High Court of Sindh decided the case against the Holding Company. Subsequently, the Holding Company filed an appeal with a larger bench of the High Court of Sindh and in response; the Sindh High Court has suspended the earlier judgment until the next date of hearing, which has not yet been decided. Consequently, the Holding Company has not paid/provided an amount of Rs. 37 million being withholding tax on bonus shares.
24.1.13	Contingent liabilities disclosed are other than those arising from contracts with policy holders.
24.2	Subsidiary Company
24.2.1	In 2013, income Income Tax Department imposed an additional tax demand under section 151(1)(d) on account of non-deduction of withholding tax on surrender and maturity amounting to Rs.13.833 million and Rs.15.014 million for Tax Years 2012 and 2013 respectively. The Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) and the same was dismissed. The Subsidiary Company filed second appeal before the Appellate Tribunal against the order of CIT. The Learned Appellate Tribunal Inland revenue had decided the case in Subsidiary Company's favour. Subsequent to it, the department has filed review application against the order in Honourable High Court of Sindh. The decision is still pending. The Subsidiary Company expects a favourable decision.
24.2.2	In 2015 and 2016, The Searle Company Limited (Searle) issued bonus shares (76,031 shares and 342,480 shares respectively) after withholding 5 percent of bonus shares (3,802 shares and 17,124 shares respectively) and the IBL Healthcare Limited issued bonus shares (46,625 shares and 80,311 shares respectively) after withholding 5 percent of bonus shares (2,331 shares and 4,016 shares respectively). In this regard, a constitutional petition had been filed by Searle in Honouralbe High Court of Sindh challenging the applicability of withholding tax provision on bonus shares received by the Subsidiary Company. The Honorable High Court decided the case against Searle. Subsequently, Searle filed an appeal with a larger bench of the Sindh High Court and in response the Sindh High Court has suspended the earlier judgment until the next date of hearing, which has not yet been decided. The Subsidiary Company is of the view that the case will be decided in its favour. The amount involved is Rs. 3.279 million. No additional provision has been made for the above matters in these financial statements as the management, based on the tax advisor's opinion, is confident that outcome thereof will be in favor of the Subsidiary Company.
24.2.3	SRB through notification no. SRB-3-4/17/2021 dated 30 June 2021 has revoked its previous exemption of life insurance, granted through SRB-3-4/5/2019 dated 08 May 2019, which is now taxable at a rate of 3%. The Subsidiary Company, along with other life insurance industry players, based on the advice of its tax consultants filed petitions in the Honorable High Courts of Lahore and Sindh, challenging the levy of Punjab Sales Tax (PST) and Sindh Sales Tax (SST) on life insurance in Punjab and Sindh. The petitions were filed on the strength of legal advice that:

- Substantiating the Subsidiary Company's view that insurance is not a service, but in fact, in sum and substance, a contingent contract under which payment is made on the occurrence of an event, specified in the terms of contract or policy;
- A question of constitutionality arose on the levy of provincial sales tax on life insurance, which in their view, was a Federal subject, since the Federation has retained a legislative mandate over all laws relating to insurance under Entry 29 of the said List, therefore, only the Federation is entitled to levy any tax in relation to insurance business; and
- Without prejudice to the main contentions as stated above, even otherwise, the legal advisors had expressed a further illegality that there is a critical flaw in the context of the manner in which the entire premium payment has been charged to the levy of provincial sales tax. Even the component of the premium which is to form part of a policyholder's investment account is subjected to the levy.

Later on, in January 2025, the case was decided by Honourable High Court of Sindh, the apex court in the judgment dated 14 January 2025 dismissed the petition on grounds that petition should first seek recourse before the statutory hierarchy.

The Subsidiary Company along with other life insurance industry players, has filed a petition in honourable Supreme Court of Pakistan against the order and believes that since petition earlier filed challenging the verisis of law, the question that has neither discussed nor decided in the impugned order of the Honourable High Court of Sindh, and such, can be filed with higher appellate forum.

Furthermore, Khyber Pakhtunkhwa Revenue Authority (KPRA) through Khyber Pakhtunkhwa Finance Act 2021 has imposed sales tax on life insurance at the rate of 15%, from 01 July 2021, which was previously exempt, for the reason of economic documentation. The matter has been taken up by the IAP with KPRA explaining that 'Insurance' is a Federal subject, hence law in respect of insurance should not be made by the province.

Based on the legal opinion obtained the Subsidiary Company considers that it has a reasonably strong case on the merits in the Constitutional petition and the writ petition filed in the High Courts. In view of the above the Subsidiary Company has not started billing or withholding sales tax to its customers. The amount of sales tax involved is around Rs. 6,628.69 million (2024: Rs. 4,680 million) computed on the basis of risk based premium excluding the investment amount allocated to unit linked policies. The management contends that in case the administrative efforts fail, the amount will be charged to the policyholders.

24.3 **Income Tax Assessments - Health**

- 24.3.1 The Subsidiary Company has filed an appeal with Income Tax Appellate Tribunal (ITAT) in respect of tax year 2008 against the order of CIR- Appeals for disallowed adjustment of a minimum tax of Rs. 3.78 million. Another order of ACIR received on same ground, the Subsidiary Company filed appeal against the ACIR order on ground that since the appeal against order of CIR- Appeals is still pending before the ITAT, the remand back proceedings may not be finalized.
- 24.3.2 The Tax department has filed Civil appeals for the tax years 2009 and 2010 before the Honourable Supreme Court of Pakistan, against the decision of the Honourable High Court of Sindh in respect of disallowed proration of expenses, if these appeals are decided against the Subsidiary Company, the additional tax liability is estimated to be Rs. 2.99 million.
- 24.3.3 The Tax department has filed appeal before the ITAT against the decision of the CIR - Appeals allowing the taxation of dividend income on reduce rate and charging of WWF for the tax year 2014 in favour of the Subsidiary Company. The tax impact of the said appeal is estimated to be Rs. 6.19 million.
- 24.3.4 The Tax department has filed appeals before the Income Appellate Tribunal against the decision of the CIR - Appeals, allowing the taxation of dividend income on reduce rate for tax year 2015 in favour of the Subsidiary Company. The tax impact of the said appeal is estimated to be Rs. 2.75 million.

24.3.5 The Subsidiary Company has filed an appeal before the ITAT against the decision of the CIR - Appeals, disallowing the levy of SWWF and the tax department has filed an appeal before the ITAT against the decision of CIR-Appeals allowing taxation of dividend income on normal tax rate for tax year 2016. The additional tax impact of the said appeals is estimated to be Rs. 4.37 million.

24.3.6 The Subsidiary Company has filed an appeal with ITAT related to Tax year 2017 in respect of fair market value confirmed by the CIR - Appeals for disposal of fixed assets by the Subsidiary Company. Furthermore the tax department has also filed appeal with ITAT against the decision of the CIR - Appeals related to commission expense and provision for compensated absence allowed in favour of the Subsidiary Company. The additional tax impact of the said appeals is estimated to Rs. 0.52 million.

No additional provision has been made for the above matters in these financial statements as the management, based on the tax advisor's opinion, is confident that the outcome thereof will be in favor of the Subsidiary Company.

24.4 Provincial Sales Tax - Health

24.4.1 Under the Sindh Sales Tax Act, 2011, Sindh sales tax (SST) is payable on premium on corporate health insurance policies written in the province of Sindh. However, the Sindh Revenue Board (SRB) vide its first notification SRB-3-4/5/2019 dated 08 May 2019 has exempted SST for the period from 01 July 2016 to 30 June 2019. SRB maintained this exemption via various notifications till June 2023.

With effect from 01 July 2023, the Sindh Revenue Board (SRB), has decided not to extend the exemption on health insurance.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) had taken up the matter with the Sindh Revenue Board (SRB) for restoration of the exemptions that were not extended. The management of the Subsidiary Company sought a legal opinion from their legal advisors, who confirmed the Subsidiary Company's contention that health insurance is not a service, but infact, an underwriter's promise to pay to its policyholders in the future, as is also clearly defined in the definition of the term "insurance" under the Insurance Ordinance, 2000. Such contention of the Subsidiary Company and the insurance industry has also been upheld in the superior courts of foreign jurisdiction, where, in a majority of jurisdictions it has been widely held that insurance is not a service. The insurance industry at the IAP forum has decided to challenge the matter and a constitutional petition has been filed at the Honourable High Court of Sindh.

Later on, in January 2025, the case was decided by Honourable High Court of Sindh, the apex court in the judgment dated 14 January 2025 dismissed the petition on grounds that petition should first seek recourse before the statutory hierarchy.

The Subsidiary Company along with other life insurance industry players, has filed a petition in honourable Supreme Court of Pakistan against the order and believes that since petition earlier filed challenging the verisis of law, the question that has neither discussed nor decided in the impugned order of the Honourable High Court of Sindh, and such, can be filed with higher appellate forum.

In view of the above and based on its advisor's view, the Subsidiary Company is not charging sales tax on the policies written in the province of Sindh, nor has recognized the liability for SST in the financial statement. The amount involved as of 31 December 2025, Rs. 1,312.94 million

24.4.2 With effect from 01 November 2018, the Punjab Revenue Authority (PRA), withdrew the exemption on health insurance.

This being a collective issue of the industry, the Insurance Association of Pakistan (IAP) had taken up the matter with the Punjab Revenue Authority (PRA) for restoration of the exemptions that were withdrawn. The management of the Subsidiary Company sought a legal opinion from their legal advisors, who confirmed the Subsidiary Company's contention that health insurance is not a service, but infact, an underwriter's promise to pay to its policyholders in the future, as is also clearly defined in the definition of the term "insurance" under the Insurance Ordinance, 2000. Such contention of the Subsidiary Company and the insurance industry has also been upheld in the superior courts of foreign jurisdiction, where, in a majority of jurisdictions it has been widely held that insurance is not a service.

Based on the above contentions, the Subsidiary Company and other insurance companies have challenged the levy of Punjab Sales Tax (PST) 'on health insurance in the Honourable Lahore High Court (LHC) in the month of September 2019. The Honourable Lahore High Court, in their order dated 03 October 2019, has granted a stay to the Subsidiary Company and all petitioners against any coercive measures for recovery by the PRA. The hearing of the petition is currently in progress. In view of the pending adjudication, the Subsidiary Company, has not charged PST to its clients, nor recognized the contingent amount of PST liability in these consolidated financial statements as the management is confident that the final outcome will be in favor of the Subsidiary Company.

Furthermore, PRA vide its notification SO(Tax) 1-110/2020 (Covid-19) dated 02 April 2020 exempted PST on health insurance for the period from 02 April 2020 till 30 June 2020.

In view of the above, the Subsidiary Company is not charging sales tax on the policies written in the province of Punjab, nor recognized the liability for PST in these financial statements. The amount involved as of 31 December 2025, except for the exempt period, amounts to Rs. 1,619.52 million.

24.5 Bank guarantees amounting to Rs. 47.82 million have been given in respect of Group Life coverage. These bank guarantees will expire on 30 June 2026.

24.6 There are commitments as at 31 December 2025 for capital expenditures of Rs. 35 million (2024: Rs. 59 million).

25	NET INSURANCE PREMIUM	2025	2024
		(Rupees in '000)	
26	Written gross premium	99,398,495	79,575,820
	Unearned premium reserve - opening	18,315,194	19,546,386
	Unearned premium reserve - closing	(20,673,685)	(18,315,194)
	Premium earned	97,040,004	80,807,012
	Less:		
	Reinsurance premium ceded	32,333,761	24,976,040
	Prepaid reinsurance premium - opening	10,661,140	12,479,228
	Prepaid reinsurance premium - closing	(12,968,872)	(10,661,140)
	Reinsurance expense	30,026,029	26,794,128
		67,013,975	54,012,884
	NET INSURANCE CLAIM EXPENSES		
	Claims Paid	61,304,940	51,502,495
	Outstanding claims including IBNR - closing	12,545,548	13,029,997
	Outstanding claims including IBNR - opening	(13,029,997)	(10,774,706)
	Claim expense	60,820,491	53,757,786
	Less:		
	Reinsurance and other recoveries received	6,260,511	5,229,629
	Reinsurance and other recoveries in respect of outstanding claims - opening	(8,596,247)	(7,009,843)
	Reinsurance and other recoveries in respect of outstanding claims - closing	8,040,266	8,596,247
	Reinsurance and other recoveries revenue	5,704,530	6,816,033
		55,115,961	46,941,753

26.1 Claim development

The Holding 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.

Claims which involve litigation and, in the case of marine, general average adjustments take longer for the final amounts to be determined which exceed one year. All amounts are presented in gross numbers before reinsurance. Claims of last five years are given below:

Accident year	2021 and prior	2022	2023	2024	2025 (Including IBNR)	Total
	(Rupees in '000)					
Estimate of ultimate claims costs:						
– At end of accident year	23,513,361	11,712,189	9,160,636	9,949,830	9,638,814	63,974,830
– One year later	19,402,298	10,943,965	9,695,478	9,333,007	-	49,374,748
– Two years later	17,863,428	11,038,319	9,166,398	-	-	38,068,145
– Three years later	17,202,028	11,013,381	-	-	-	28,215,409
– Four years later	16,875,764	-	-	-	-	16,875,764
Current estimate of cumulative claims	16,875,764	11,013,381	9,166,398	9,333,007	9,638,814	56,027,364
Cumulative payments to date	14,944,987	10,391,323	7,622,312	5,933,220	4,589,974	43,481,816
Liability recognized in statement of financial position	1,930,777	622,058	1,544,086	3,399,787	5,048,840	12,545,548

26.2

The provision for IBNR on the basis of actuarial valuation carried out as at 31 December 2025 amounts to Rs. 454 million (2024: Rs. 454 million).

26.3

For Subsidiary Company's investment linked, conventional and accidental and health business, claim experience over the past 5 years indicates that claims reported after the end of the year in which the claim event occurred were less than 10% threshold therefore, the claim development table for all statutory funds is not disclosed.

26.4

For Subsidiary Company's individual family takaful, claim experience over the past 5 years indicates that claims reported after the end of the year in which the claim event occurred were less than 10% threshold therefore the claim development table is not disclosed.

26.5

Statement of age wise break up of unclaimed insurance benefits as on 31 December 2025

This includes unclaimed maturity benefits and outstanding claims in respect of which cheques have been issued by the Company for claim settlement. However, the same have not been encashed by the claimant. Following is the aging as required by the SECP Circular no.11 of 2014 dated 19 May 2014:

Particulars	Total amount	1 to 6 months	7 to 12 months	13 to 24 months	25 to 35 months	Beyond 36 months
	(Rupees in '000)					
Unclaimed maturity benefits	5,084,168	1,751,587	931,142	933,000	491,171	977,268
Unclaimed death benefits	-	-	-	-	-	-
Unclaimed disability benefits	-	-	-	-	-	-
Claims not encashed	90,860	17,829	7,860	6,045	11,024	48,101
Other unclaimed benefits	-	-	-	-	-	-
	5,175,028	1,769,416	939,002	939,045	502,195	1,025,369

27

NET COMMISSION AND OTHER ACQUISITION COST

	2025	2024
	(Rupees in '000)	
Commission paid or payable	11,451,136	9,134,959
Deferred commission expense - opening	1,510,828	1,491,266
Deferred commission expense - closing	(1,483,625)	(1,510,828)
	11,478,339	9,115,397
Less:		
Commission received or recoverable	693,813	662,223
Unearned reinsurance commission - opening	329,486	302,821
Unearned reinsurance commission - closing	(348,688)	(329,486)
Commission from reinsurers	674,611	635,558
Other acquisition cost	2,949,950	1,882,167
	13,753,678	10,362,006

		Note	2025	2024
			(Rupees in '000)	
28	MANAGEMENT EXPENSES			
	Salaries, wages and benefits	28.1	4,917,953	4,362,008
	Depreciation / amortization		1,344,250	1,559,592
	Repair and maintenance		407,517	519,605
	Fees and subscription		359,384	199,721
	Traveling, club and entertainment		340,092	373,299
	Publicity		182,536	133,911
	Printing and stationery		170,069	140,176
	Annual supervision fee of SECP		167,972	240,139
	Gas, electricity and fuel		164,266	218,617
	Postage and telegram		119,999	130,381
	Miscellaneous		90,294	246,160
	Bad debts		73,699	13,824
	Bank charges and commission		49,785	45,527
	Tracker monitoring		49,759	68,407
	Rent, rates and taxes		44,619	25,080
	Legal and professional charges - business related		28,414	73,855
	Appointed actuary fees		27,616	23,633
	Telephone		24,375	26,661
	Insurance		8,628	5,940
	Levy to IAP		3,000	2,000
			8,574,227	8,408,536
28.1	This includes a contribution of Rs. 44.06 million (2024: Rs. 39.12 million) by Holding Company to the employees' provident fund.			
29	INVESTMENT INCOME		2025	2024
(Rupees in '000)				
	Income from equity securities			
	Dividend income			
	Equity shares - Available-for-sale		737,565	549,758
	Equity shares - Fair value through profit or loss		3,993,955	3,376,435
	Equity shares - Held-for-trading		51,341	-
	Income from debt securities			
	Available-for-sale			
	Debt securities		1,564,924	2,071,234
	Held-to-maturity			
	Government securities		1,689,927	2,173,327
	Debt securities		173,051	339,700
	At fair value through profit or loss			
	Debt securities		1,271,955	2,330,948
	Government securities		21,872,186	29,488,574
	Income from term deposits			
	Return on term deposits		189,128	1,081,302
			31,544,032	41,411,278

	2025	2024
	----- (Rupees in '000) -----	
Net realized gains / (losses) on investments		
-available-for-sale financial assets		
Realized gains:		
Equity securities	2,397,144	-
Debt securities	68,686	-
Realized losses:		
Equity securities	(44,086)	(16,281)
Debt securities	(5,780)	(50,498)
	2,415,964	(66,779)
Reversal / (impairment) in value of available-for-sale		
- equity securities	193,282	(21,721)
Investment related expenses	(137,179)	-
	<u>34,016,099</u>	<u>41,322,778</u>
30 NET REALIZED FAIR VALUE GAINS ON FINANCIAL ASSETS		
Realized gains on:		
Equity securities	2,366,963	1,867,644
Government securities	9,302	16,847
Realized losses on:		
Equity securities	(580,585)	(143)
Government securities	(80,872)	(273,116)
	<u>1,714,808</u>	<u>1,611,232</u>
31 NET FAIR VALUE GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Net unrealized (losses) / gains on investments in financial assets		
government securities and debt securities designated upon initial recognition	(1,682,506)	3,140,189
Net unrealized gains on investments at fair value through profit or loss		
equity securities designated upon initial recognition	22,053,477	17,983,532
Total investment income	20,370,971	21,123,721
Exchange difference	(2,857)	5,535
Reversal / (impairment) in value of available-for-sale securities	30,484	(20,645)
Less: Investment related expenses	(572)	(2,456)
	<u>20,398,026</u>	<u>21,106,155</u>
32 RENTAL INCOME		
Rental income	230,883	218,951
Less: Expenses of investment properties	(92,145)	(90,050)
	<u>138,738</u>	<u>128,901</u>
33 OTHER INCOME		
Return on bank balances	263,419	498,433
Gain on sale of property and equipment	207,349	311,755
Return on loans to employees	29,218	30,663
Fees charged to policyholders	23,197	21,745
Gain on termination of lease agreements	4,951	34,225
Exchange difference	5,777	(1,604)
Others	332	2,120
	<u>534,243</u>	<u>897,337</u>

34	OTHER EXPENSES	Note	2025	2024
			----- (Rupees in '000) -----	
	Legal and professional fee		31,907	27,421
	Auditors' remuneration	34.1	36,780	32,502
	Subscription to association		39,787	34,083
	Charity and donations	34.2	43,699	44,992
	Printing and Stationery		2,758	-
	Advertisements and publicity		523	509
	Director's fees		13,800	14,650
	Workers' welfare fund		240,495	212,521
	Others		9,979	1,423
			<u>419,728</u>	<u>368,101</u>
34.1	Auditors' remuneration			
	Audit fee		16,193	11,875
	Special certifications and sundry advisory services		18,115	17,707
	Out-of-pocket expenses		2,472	2,920
			<u>36,780</u>	<u>32,502</u>
34.2	Charity and donations			
	Donations include the following in whom the directors are interested:			
	Name of director	Interest in donee	Name and address of donee	
				2025 2024
				----- (Rupees in '000) -----
	Saifuddin N. Zoomkawala	Board member	SIUT Civil Hospital	500 2,945
	Saifuddin N. Zoomkawala	Board member	Fakhr-e-Imdad Foundation	500 500
	Hasanali Abdullah	Board member	The Aga Khan Hospital and Medical College Foundation	4,350 2,500
	Syed Salman Rashid	Spouse (Trustee)	Anjuman Kashana -E- Atfal-O-Naunihal	200 100
	Ruhail Muhammad	Board member	Network of Organizations	2,000 1,025
34.2.1	Donations to a single party exceeding Rs. 500,000			
	Name of donee			2025 2024
				----- (Rupees in '000) -----
	Nafees-ul-Hassan		1,913	-
	The Aga Khan Hospital and Med. College Foundation		4,350	2,500
	Karachi Vocational Training Centre		1,000	-
	Indus Hospital and Health Network		950	-
	The Kidney Centre		800	-
	Abdul Sattar Edhi Foundation		2,657	2,157
	Afzaal Memorial Thalassemia Foundation		2,000	1,500
	Akhuwat		500	-
	Aziz Tabba Foundation		500	-
	Bait ul Sukoon Cancer Hospital		500	500
	Childlife Foundation		500	-
	Citizens Foundation		2,333	6,955
	Fakhr-e-Imdad Foundation		500	-
	Friends of Pink Ribbon (Women's Empowerment Group)		500	500

	2025	2024
	----- (Rupees in '000) -----	
Friends of The Burns Centre	500	-
Layton Rehmatullah Benevolant Trust	2,800	7,473
Lyallpur Literary Council	500	-
Memon Medical Institute	500	500
Shaukat Khanum Memorial Trust	500	-
SIUT Trust	500	-
The Faisalabad Chamber of Commerce and Industry	500	-
The Patient's Aid Foundation	500	500
The Patients Behbud Society for AKUH	500	500
Hunar Foundation	-	500
SAARC Chamber of Commerce and Industry	-	500
Family Educational Services Foundation	2,700	2,590
Transformation International	3,000	-
Teach The World Foundation	4,300	-
	<u>35,803</u>	<u>26,675</u>
35	PROFIT FROM WINDOW GENERAL TAKAFUL OPERATIONS - OPERATOR'S FUND	
Wakala fee	1,297,962	1,141,949
Commission expense	(384,840)	(355,222)
General, administrative and management expenses	(563,803)	(474,058)
Modarib's share of PTF investment income	90,014	134,361
Investment income	169,762	208,719
Direct expenses	(14,939)	(14,693)
Other income	14,566	13,445
	<u>608,722</u>	<u>654,501</u>
36	TAXATION	
For current year		
Current	3,642,472	3,242,432
Deferred	(99,453)	(385,899)
Super tax	<u>1,257,424</u>	<u>988,462</u>
	<u>4,800,443</u>	<u>3,844,995</u>

36.1 Relationship between tax expense and accounting profit

	2025	2024	2025	2024
	Effective tax rate %			
Profit before taxation			<u>11,638,618</u>	<u>9,058,432</u>
Tax at the applicable rate	29	29	3,375,199	2,626,945
Tax effects of permanent differences	2	1	264,670	98,513
Effect of super tax of current year	10	12	<u>1,160,574</u>	<u>1,119,537</u>
Total tax charged	<u>41</u>	<u>42</u>	<u>4,800,443</u>	<u>3,844,995</u>

36.1.1 The Federal Board of Revenue (FBR) introduced a super tax on high-earning persons under section 4-C , effective from Tax Year 2022. As the company's taxable income has exceeded Rs. 500 million in the current year as well as prior year, a super tax of 10% on taxable income has been applied in both years.

37	EARNINGS PER SHARE - BASIC AND DILUTED	2025	2024
		----- (Rupees in '000) -----	
	Profit after tax for the year (Rupees in '000)	5,648,061	3,781,449
	Weighted average number of ordinary shares (Numbers in '000)	<u>200,000</u>	<u>200,000</u>
	Earnings per share (Rupees)	<u>28.24</u>	<u>18.91</u>

37.1 No figures for diluted earnings per share have been presented as the Holding Company has not issued any instrument which would have impact on earnings per share when exercised.

38 COMPENSATION OF DIRECTORS AND EXECUTIVE

	2025				2024			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	----- (Rupees in '000) -----							
Fees	-	24,600	-	24,600	-	23,725	-	23,725
Managerial remuneration	187,993	-	2,435,497	2,623,490	140,136	-	1,461,963	1,602,099
Leave encashment	8,500	-	43,032	51,532	5,700	-	37,741	43,441
Bonus	34,346	-	209,133	243,479	24,971	-	154,822	179,793
Retirement benefits	22,635	-	139,195	161,830	15,651	-	86,994	102,645
Utilities	3,475	-	58,881	62,356	3,778	-	68,519	72,297
Medical expenses	432	-	69,701	70,133	1,174	-	43,988	45,162
Leave passage	9,380	-	3,145	12,525	8,088	-	5,737	13,825
Total	<u>266,761</u>	<u>24,600</u>	<u>2,958,584</u>	<u>3,249,945</u>	<u>199,498</u>	<u>23,725</u>	<u>1,859,764</u>	<u>2,082,987</u>
Number of persons	<u>2</u>	<u>18</u>	<u>660</u>	<u>680</u>	<u>2</u>	<u>17</u>	<u>470</u>	<u>489</u>

38.1 The Chief Executive Officer of the Holding Company is provided with Company maintained cars, house rent and utilities, residence-furnishing allowance, reimbursement of servants and driver salaries, leave fare assistance, club bills, medical facility, group life cover and health insurance. The Executives are provided with free use of Company cars, medical insurance cover and certain items of household furniture and fixtures in accordance with their entitlements. The Chairman and Vice Chairman are provided with free use of Company maintained cars, furnished accommodations, medical insurance covers and residential utilities.

38.2 The Chief Executive of the Subsidiary Company is provided with company maintained cars and furniture allowance. He will also be entitled to group life insurance coverages, health insurance for self and family and club memberships. The Executives of the Subsidiary Company are provided with company maintained cars, medical insurance cover and in certain cases, household items and furniture in accordance with their terms of employment. The Chairman of the Subsidiary Company is provided with residential utilities and club fees. The Vice Chairman of the Subsidiary is provided with furnished accommodation, club bills, medical insurance for self and family and other residential utilities.

The Non-Executive Directors were paid Directors meeting fee of Rs. 24.600 million (2024: Rs. 23.725 million). No other remuneration was paid to Non-Executive Directors.

39 NON-CONTROLLING INTEREST

39.1 Acquisition of Non-Controlling Interest

During the year, the Group acquired an additional 300,000 shares of the Subsidiary Company as a result Group Holding is increased from 45.31% to 45.60%.

39.2 Summary of Non-Controlling Interest

	2025	2024
	----- (Rupees in '000) -----	
Opening balance	5,677,325	4,327,868
Profit for the year	1,224,155	1,481,448
Acquisition (from) / by NCI without change in control	(31,269)	658,105
Dividend distribution	(859,979)	(812,301)
Transfer from surplus on revaluation of property and equipment	19,453	22,205
	<u>6,029,685</u>	<u>5,677,325</u>
NCI percentage	<u>54.40%</u>	<u>54.69%</u>
Total assets	298,012,263	262,311,587
Total liabilities	(287,892,646)	251,197,976
Net assets before intercompany eliminations	<u>10,119,617</u>	<u>11,113,611</u>
Net assets after intercompany eliminations	<u>11,083,605</u>	<u>10,381,385</u>
Net assets attributable to NCI	<u>6,029,685</u>	<u>5,677,325</u>
Revenue	<u>56,974,959</u>	<u>39,502,535</u>
Profits	<u>2,184,978</u>	<u>2,639,722</u>
OCI	<u>62,752</u>	<u>90,904</u>
Total Comprehensive Income	<u>2,247,730</u>	<u>2,730,626</u>
Profits allocated to NCI	<u>1,190,114</u>	<u>1,431,988</u>
OCI allocated to NCI	<u>34,041</u>	<u>49,460</u>
Cashflows from operating activities	(14,838,606)	(14,331,360)
Cashflows from investing activities	19,847,353	8,494,362
Cashflows from financing activities (Dividend to NCI: Rs. 860 million)	(1,116,171)	(1,028,148)
Net increase / decrease in cash and cash equivalents	<u>3,892,576</u>	<u>(6,865,146)</u>

40 RELATED PARTY TRANSACTIONS

Related parties comprise of directors, major shareholders, key management personnel, associated companies and entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties during the year other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	2025	2024
	----- (Rupees in '000) -----	
Transactions		
Associated companies		
Premium received	1,146,498	334,518
Premium paid	-	25,299
Claims paid	561,445	323,403
Commission paid	236,187	181,620
Traveling expenses	5,825	18,864
Donation paid	4,700	9,399
Dividend received	7,798	7,090
Dividend paid	1,298,099	1,374,039
Interest on bank deposits	286,118	853,208
Purchase of vehicle	13,799	13,378
Loan recovered	-	1,428
Investment sold / matured	1,627,429	13,520,971
Investment brought	211,284	549,558
Term deposit receipts (TDRs)	1,546,729	10,005,299
Key management personnel		
Premium received	1,298	1,814
Claims paid	153	-
Dividend paid	2,026	2,919
Loan to key employees	6,341	18,318
Loan recovered	7,993	34,078
Compensations	204,233	151,457
Sale of vehicle to director	5,500	1,900
Others		
Premium received	78,634	87,659
Premium paid	14,486	-
Claims paid	22,495	21,776
Dividends received	1,200	-
Dividends paid	818,244	685,548
Brokerage paid	44,809	7,661
Sponsorship paid	1,563	-
Services paid	297	-
Donation paid	2,850	-
Employees' funds		
Contribution to provident fund	134,016	109,697
Contribution to gratuity fund	40,316	31,937
Contribution to pension fund	77,146	60,984
Dividends paid	4,494	4,494
Balances		
Others		
Balances receivable	114,761	90,418
Balances payable	15,594	138,279
Bank deposits	66,729	147,429
Bank balances	2,419,154	2,381,635
Employees' funds		
EFU gratuity fund payable	118,992	80,936
EFU pension fund receivable	5,953	1,680

Current year	General Insurance					2025		Life Assurance		
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance	(Rupees in '000)	Shareholders' Fund	Statutory Fund	Aggregate Life Assurance
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	36,517,541	6,069,490	4,551,126	2,885,541	-	50,023,698	-	-	56,974,959	56,974,959
Less: Sales tax	4,890,620	687,001	614,619	393,972	-	6,886,212	-	-	-	-
Stamp duty	4,215	570,544	8,878	8,009	-	591,646	-	-	-	-
Federal insurance fee	311,177	47,643	38,983	24,501	-	422,304	-	-	-	-
Gross written premium (inclusive of administrative surcharge)	31,311,929	4,764,302	3,888,646	2,459,059	-	42,423,536	-	-	56,974,959	56,974,959
Gross direct premium	31,048,303	4,709,455	3,764,558	2,416,509	-	41,938,835	-	-	56,974,959	56,974,959
Facultative inward premium	222,495	614	-	19,215	-	242,324	-	-	242,324	-
Administrative surcharge	40,731	54,233	124,078	23,335	-	242,377	-	-	-	-
Insurance premium earned	29,303,823	4,781,250	3,778,904	2,201,068	-	40,065,045	-	-	56,974,959	56,974,959
Insurance premium ceded to reinsurers	(22,135,082)	(2,533,131)	(33,484)	(897,985)	-	(25,599,682)	-	-	(4,426,347)	(4,426,347)
Net insurance premium	7,168,741	2,248,119	3,745,420	1,303,083	-	14,465,363	-	-	52,548,612	52,548,612
Commission income	601,633	21,185	-	51,793	-	674,611	-	-	-	-
Net underwriting income	7,770,374	2,269,304	3,745,420	1,354,876	-	15,139,974	-	-	52,548,612	52,548,612
Insurance claims	(4,934,963)	(695,495)	(1,851,238)	(693,506)	-	(8,174,302)	-	-	(52,646,189)	(52,646,189)
Insurance claims recovered from reinsurers	2,304,265	(141,427)	3,342	(12,233)	-	2,159,947	-	-	3,550,583	3,550,583
Net claims	(2,629,798)	(836,922)	(1,847,896)	(705,739)	-	(6,020,355)	-	-	(49,095,606)	(49,095,606)
Commission expense	(2,338,351)	(365,456)	(335,582)	(231,797)	-	(3,271,186)	-	-	(11,157,103)	(11,157,103)
Management expenses	(1,767,886)	(566,513)	(948,849)	(337,101)	-	(3,620,349)	-	-	(4,953,878)	(4,953,878)
Net insurance claims and expenses	(6,752,824)	(1,767,886)	(3,205,013)	(1,029,557)	-	(12,752,753)	-	-	(65,206,587)	(65,206,587)
Underwriting result	1,034,339	500,413	613,093	80,239	-	2,228,084	-	-	(12,657,975)	(12,657,975)
Net investment income	-	-	-	-	-	-	-	-	29,269,191	29,269,191
Net realized fair value gains on financial assets	-	-	-	-	-	-	-	-	911,948	911,948
Net fair value gain on financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Change in fair value of investment property	-	-	-	-	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-
Net change in insurance liabilities (other than outstanding claims)	-	-	-	-	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-	-	-	-	-
Share of profit from associate	-	-	-	-	-	-	-	-	-	-
Profit before tax from window general takaful operations - OPF	-	-	-	-	-	-	-	-	-	-
Profit before tax	22,741,508	4,270,478	7,03,331	1,672,610	-	29,387,928	-	-	20,372,566	20,372,566
Corporate segment assets - conventional	2,281,025	205,032	1,587,537	407,546	-	4,481,140	-	-	128,444	128,444
Corporate segment assets - Takaful	-	-	-	-	-	-	-	-	-	-
Corporate unallocated assets - conventional	-	-	-	-	-	-	-	-	-	-
Corporate unallocated assets - Takaful	-	-	-	-	-	-	-	-	-	-
Consolidated total assets	25,022,533	4,475,510	2,290,868	2,080,156	-	29,373,327	-	-	128,444	128,444
Corporate segment liabilities - conventional	30,450,052	5,697,897	2,837,637	4,711,604	-	43,697,190	-	-	-	-
Corporate segment liabilities - Takaful	2,685,790	362,613	2,632,918	680,013	-	6,361,334	-	-	-	-
Corporate unallocated liabilities - conventional	-	-	-	-	-	-	-	-	-	-
Corporate unallocated liabilities - Takaful	-	-	-	-	-	-	-	-	-	-
Consolidated total liabilities	33,135,842	6,060,510	5,470,555	5,391,617	-	56,498,862	-	-	29,269,191	29,269,191
Location	-	-	-	-	-	-	-	-	-	-
Pakistan	-	-	-	-	-	-	-	-	-	-
* EPZ	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
* This represents US Dollar equivalent in Pak Rupees	-	-	-	-	-	-	-	-	-	-

Prior year	General Insurance					2025		Life Assurance		
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Treaty	Aggregate General Insurance	(Rupees in '000)	Shareholders' Fund	Statutory Fund	Aggregate Life Assurance
Premium receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	31,426,547	5,875,977	4,448,984	2,482,897	-	44,234,405	-	-	41,656,776	41,656,776
Less: Sales tax	4,047,898	644,107	584,223	326,061	-	5,602,289	-	-	-	-
Stamp duty	2,541	372,770	4,976	5,788	-	386,075	-	-	-	-
Federal insurance fee	269,606	48,101	38,341	21,076	-	377,124	-	-	-	-
Gross written premium (inclusive of administrative surcharge)	27,106,502	4,810,999	3,821,444	2,129,972	-	37,866,917	-	-	41,656,776	41,656,776
Gross direct premium	26,905,759	4,753,380	3,684,617	2,071,418	-	37,415,174	-	-	41,656,776	41,656,776
Facultative inward premium	169,803	781	-	33,400	-	203,984	-	-	203,984	-
Administrative surcharge	30,940	56,838	136,827	25,154	-	249,759	-	-	-	-
Insurance premium earned	28,215,701	4,752,917	4,049,672	2,081,819	-	39,100,109	-	-	41,706,903	41,706,903
Insurance premium ceded to reinsurers	(21,149,109)	(2,630,148)	(36,853)	(773,651)	-	(24,589,760)	-	-	(2,204,368)	(2,204,368)
Net insurance premium	7,066,593	2,122,769	4,012,819	1,308,168	-	14,510,349	-	-	39,502,535	39,502,535
Commission income	571,928	21,858	1	41,771	-	635,558	-	-	-	-
Net underwriting income	7,638,521	2,144,627	4,012,820	1,349,939	-	15,145,939	-	-	39,502,535	39,502,535
Insurance claims	(4,884,702)	(3,310,960)	(1,770,658)	(491,613)	-	(10,457,933)	-	-	(43,299,853)	(43,299,853)
Insurance claims recovered from reinsurers	2,172,473	2,460,225	(67)	7,868	-	4,640,499	-	-	2,175,534	2,175,534
Net claims	(2,712,229)	(850,735)	(1,770,725)	(483,745)	-	(5,817,434)	-	-	(41,124,319)	(41,124,319)
Commission expense	(2,255,116)	(374,836)	(383,257)	(191,681)	-	(3,204,890)	-	-	(7,792,674)	(7,792,674)
Management expenses	(1,785,179)	(542,088)	(1,051,031)	(354,131)	-	(3,732,429)	-	-	(4,676,107)	(4,676,107)
Net insurance claims and expenses	(6,752,824)	(1,767,659)	(3,205,013)	(1,029,557)	-	(12,752,753)	-	-	(63,593,100)	(63,593,100)
Underwriting result	885,997	376,968	807,807	320,382	-	2,391,154	-	-	(14,090,565)	(14,090,565)
Net investment income	-	-	-	-	-	-	-	-	38,906,361	38,906,361
Net realized fair value gains on financial assets	-	-	-	-	-	-	-	-	1,452,184	1,452,184
Net fair value gains on financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Change in fair value of investment property	-	-	-	-	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-	-	-	-	-
Net change in insurance liabilities (other than outstanding claims)	-	-	-	-	-	-	-	-	-	-
Profit before tax from window general takaful operations - OPF	-	-	-	-	-	-	-	-	-	-
Profit before tax	21,262,288	5,491,473	643,712	1,128,099	-	28,525,572	-	-	254,919,658	254,919,658
Corporate segment assets - conventional	1,775,319	135,509	1,103,613	270,485	-	3,287,926	-	-	-	-
Corporate segment assets - Takaful	-	-	-	-	-	-	-	-	-	-
Corporate unallocated assets - conventional	-	-	-	-	-	-	-	-	-	-
Corporate unallocated assets - Takaful	-	-	-	-	-	-	-	-	-	-
Consolidated total assets	23,037,607	5,629,982	1,747,325	1,398,584	-	28,525,572	-	-	254,919,658	254,919,658
Corporate segment liabilities - conventional	28,614,238	6,819,040	2,700,352	3,650,038	-	41,783,668	-	-	248,299,261	248,299,261
Corporate segment liabilities - Takaful	1,959,202	299,005	1,979,123	459,439	-	4,696,769	-	-	-	-
Corporate unallocated liabilities - conventional	-	-	-	-	-	-	-	-	-	-
Corporate unallocated liabilities - Takaful	-	-	-	-	-	-	-	-	-	-
Consolidated total liabilities	30,573,440	7,118,045	4,679,475	4,109,477	-	53,167,157	-	-	248,299,261	248,299,261
Location	-	-	-	-	-	-	-	-	-	-
Pakistan	-	-	-	-	-	-	-	-	-	-
* EPZ	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
* This represents US Dollar equivalent in Pak Rupees	-	-	-	-	-	-	-	-	-	-

External premium less reinsurance by geographical segments
2024

37,294,341
20,701
54,012,884

(Rupees in '000) -

43 MOVEMENT IN INVESTMENT

Name of investment	Held-to-maturity	Available-for-sale	Held-for-trading	Total
	(Rupees in '000)			
At beginning of previous year	14,419,967	22,358,454	175,530,781	212,309,202
Additions	10,660,076	23,924,705	196,494,063	231,078,844
Disposals (sale and redemptions)	(14,463,897)	(20,280,950)	(167,541,059)	(202,285,906)
Fair value net gains (excluding net realized gains / (losses))	4,628	3,641,511	21,968,367	25,614,506
Impairment gains / (losses)	-	(42,366)	-	(42,366)
At beginning of current year	10,620,774	29,601,354	226,452,152	266,674,280
Additions	18,065,802	13,813,459	231,199,816	263,079,077
Disposals (sale and redemptions)	(13,190,064)	(11,929,066)	(221,230,375)	(246,349,505)
Fair value net gains (excluding net realized gains / (losses))	-	(245,110)	20,367,541	20,122,431
Impairment gains / (losses)	887	193,282	29,597	223,766
At end of current year	15,497,399	31,433,919	256,818,731	303,750,049

44 Management of insurance and financial risk

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

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

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

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

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

The Holding Company's arrangement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor the operations of the Holding Company are substantially dependent upon any single reinsurance contract. The Holding Company obtains reinsurance cover only from companies with sound financial health.

The Subsidiary Company currently issues contracts that are classified as insurance and takaful contracts as they transfer significant insurance risk (against death, disability and sickness) from the policyholder to the Subsidiary Company. In the past, the Subsidiary Company has issued contracts where the insurance risk transferred is insignificant, these therefore being classified as investment contracts. All contracts which include an investment element being unit-linked contracts linked to internal mutual funds.

The Subsidiary Company classifies its business into Individual Life and Group Life businesses, in both cases the form of contract consisting of main plans and supplementary riders (which are generally optional).

Individual life business mainly consists of unit linked products and conventional protection products, in both cases with optional supplementary riders which generally provide protection only. Group Life business consists primarily of protection products and a relatively small number of unit-linked policies.

The Subsidiary Company also manages its geographical concentration of risk. Currently the Subsidiary Company's geographical concentration of risk for its Individual Life sales force business is as follows:

Individual conventional business:	Diversification of risk portfolio	
	before	after
	reinsurance	reinsurance
Azad Kashmir	3.05%	3.50%
Balochistan	5.09%	6.18%
Gilgit Baltistan	1.40%	2.13%
Khyber Pakhtunkhwa	0.84%	1.04%
Punjab	39.10%	38.61%
Sindh	50.53%	48.55%
Azad Kashmir	1.83%	3.14%
Balochistan	1.21%	1.27%
Gilgit Baltistan	0.02%	0.05%
Khyber Pakhtunkhwa	1.32%	1.98%
Punjab	40.87%	45.25%
Sindh	54.75%	48.30%

For group life business, the Subsidiary Company's geographical concentration of risk is as follows:

	Diversification of risk portfolio	
	before reinsurance	after reinsurance
Conventional business		
Sindh	75.90%	79.32%
Punjab	24.10%	20.68%
Group family takaful business		
Punjab	90.64%	91.39%
Sindh	9.36%	8.61%

The Subsidiary Company also has reinsurance arrangements with its reinsurance partners, to whom the Subsidiary Company passes any excess insurance risk beyond its retention levels. Limits are continually monitored and kept in line with the overall risk tolerance. This allows the Subsidiary Company to retain the risk according to its risk capacity and minimizes excessive claim payouts. Currently, the total risk retained on individual life products is Rs. 2,000,000 per life for the death risk, Rs.1,000,000 for individual takaful policies and Rs. 1,000,000 for risks associated with critical illness plans. For Group Life, the Subsidiary Company currently retains Rs. 2,000,000 of total life risk on each life and Rs. 1,000,000 for Group Family Takaful business. For critical life cover, 50% of the sum covered is retained for both, Group Life and Group Family Takaful business.

44.1.1 Frequency and severity of claims

Holding Company

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

The Holding Company monitors concentration of insurance risks primarily by class of business. The table below sets out the concentration of the claims and premium liabilities by class of business at consolidated financial statements date.

Class	2025				2024			
	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities	Gross claims liabilities	Net claims liabilities	Gross premium liabilities	Net premium liabilities
	%	%	%	%	%	%	%	%
Fire and property damage	53	51	77	58	64	50	76	61
Marine, aviation & transport	18	14	8	8	8	17	9	8
Motor	21	19	9	24	21	18	10	23
Miscellaneous	8	16	6	10	7	15	5	8
	100	100	100	100	100	100	100	100

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

The Holding Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Holding Company.

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

	2025	2024
	----- (Rupees in '000) -----	
Fire and property damage	554,284,871	509,435,681
Marine, aviation and transport	249,060,000	243,111,000
Motor	116,000	106,015
Miscellaneous	113,544,750	90,649,520

Since the Holding Company operates in Pakistan only, hence, all the insurance risks relate to policies written in Pakistan.

Subsidiary Company

Frequency and severity can have a significant impact on total claims paid out by the Subsidiary Company. High frequency of claims could occur due to adverse experience of mortality or disability. Adverse mortality experience, in short-term, could be due to a wide-range spread of fatal contagious disease, an epidemic. Over a longer term, overall health practices, eating and living habits could potentially have an adverse effect on mortality.

About 90 % of Subsidiary Company's business is concentrated in the provinces of Sindh and Punjab. This concentration is largely in line with the population of these provinces relative to the country's total population. The Subsidiary Company's diversified portfolio of contracts helps limit the frequency and severity of claims. However, in event of a large number of deaths or disabilities, Subsidiary Company does face the risk of paying out excessive claims. To manage and mitigate this exposure, arrangements in form of reinsurance and catastrophe cover are in place.

In Group life business, frequency and severity of claims can be affected by concentration of business in a specifically risky class of industry. Claim frequency can rise substantially from businesses in industries that are more prone to accidents due to the nature of work they perform. Likewise, severity of claims can also be associated with business concentration in a specific class of industry. The Subsidiary Company continually monitors its concentration risk and takes measures to keep its business portfolio well diversified.

Contracts in group life, are mainly one year term life contracts, where premium rates are generally guaranteed for one year only. The Subsidiary Company retains the right of changing premium rates by incorporating the claim experience of a group insured, thereby allowing the Subsidiary Company to charge a specific group in line with its claim experience.

The Subsidiary Company regularly carries out an exercise to monitor time lags between claim intimation and settlement dates. The study reveals that a significant portion of claims are settled within twelve months of claim intimation.

44.1.2 Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the financial statement date relates to valuation of outstanding claims, whether reported or not, and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to policyholders arising from claims made under insurance contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the financial statement date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the financial statement date.

The uncertainty with respect to future premiums and benefits may arise due to unexpected changes in mortality or disability experience. Adverse mortality experience will result in excess benefit payments, and reduced future premium income.

Likewise, unexpected changes in surrenders and lapses could also have a significant impact on future realized premiums. Estimates of lapses and surrenders are based on internal experience studies carried out annually. Factors that could affect policyholder behavior include market factors such as interest rates, policyholder preferences in terms of the monetary value that a policyholder relates with the insurance policy, the frequency of premium payments and the age of the individual.

44.1.3 Process used to decide on assumptions

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

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

The premium liabilities have been determined such that the total premium liability provisions (unearned premium reserve and premium deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of financial statement date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

44.1.4 Mortality, disability and critical illness

Mortality and disability rates are basic assumptions used in valuation of policyholder liabilities. For mortality, life table EFU (61-66) is being currently used. The life table was published more than 40 years ago and may not reflect mortality improvements. For reserving purposes, an additional reserve by the name of mortality fluctuation reserve is maintained to cater for adverse mortality experiences.

Sudden adverse experience in mortality might occur due to epidemics, causing deaths on a mass scale due to incurable contagious illnesses. Mortality may also deteriorate over a period of time, due to wide-scale changes in living lifestyles, eating and health habits.

Sensitivity test with respect to mortality is carried out and impact on policyholder liabilities is observed. When mortality rates increase by 10%, policyholder liabilities increase by 0.019%. Likewise, when mortality rates decrease by 10%, policyholder liabilities decrease by 0.019%.

In absence of credible disability and critical illness incidence rates, the Subsidiary Company uses reinsurance rates for actuarial liability valuation of disability and critical illness benefits.

44.1.5 Investment income – Statutory fund

Investment income is an important assumption for valuation of long-term conventional plans. This is the rate at which future expected benefits and expected premiums are discounted. Currently, the valuation assumption used for investment income is 3.75% p.a.

Sensitivity test with respect to investment income is carried out and its impact on policyholder liabilities observed. When investment rate is increased by 10%, policyholder liabilities decrease by 0.001%. Likewise, when investment income rate is decreased by 10%, policyholder liabilities increase by 0.001%.

44.1.6 Sources of uncertainty in estimation of future benefit payments and life insurance premium receipts

The uncertainty with respect to future premiums and benefits may arise due to unexpected changes in mortality or disability experience. Adverse mortality experience will result in excess benefit payments, and reduced future premium income.

Likewise, unexpected changes in surrender and lapse could also have a significant impact on future realized premiums. Estimates of lapses and surrenders are based on internal experience studies carried out annually. Factors that could affect policyholder behaviour include market factors such as interest rates, policyholder preferences in terms of the monetary value that a policyholder relates with the insurance policy, the frequency of premium payments and the age of the individual.

44.1.7 Process used to make assumptions

Assumptions used to determine policyholder liabilities include, mortality / disability / critical illness rates, investment returns for conventional business, investment returns for investment linked business, expenses and mortality loading.

Mortality assumptions should in principle reflect adequate conservatism in liabilities. the Subsidiary Company considers EFU (61-66) life table to be appropriate for actuarial valuation of policyholder liabilities.

Disability and Critical illness rates used for liability valuation are the reinsurance rates provided by the reinsurer. Due to lack of sufficient claim experience for these disabilities and critical illnesses, the Subsidiary Company considers this as the best estimate available.

The Subsidiary Company uses an investment return assumption of 3.75 % per annum to evaluate actuarial liabilities of its conventional plans. Liabilities of conventional products should in principle reflect a long term conservative interest rate, to reflect adequate conservatism. An investment return of 3.75 % per annum is hence considered appropriate.

For Unit Linked products where the death benefit is paid in form of annuity, the Subsidiary Company uses a discount rate of 6% to evaluate present value of future stream of cash flows. In principle, the interest rate assumption set to discount cash flows should reflect the expected returns on assets backing these liabilities. The Subsidiary Company expects to earn at least a 6 % return on assets backing these unit-linked liabilities.

The Subsidiary Company reserves for any increase in actuarial liability resulting from the possible reinstatement of lapsed policies. The current liability valuation also takes into account cash value of units pertaining to policies lapsed in last 2 years. A unit-linked policy lapses when the second annual premium of policy is not received. In principle, cash value of a lapsed policy is not surrenderable, as per provisions and conditions, unless the second premium is paid and policy is reinstated. However, the Subsidiary Company recognizes the possibility of these lapsed policies to be reinstated and hence carries out periodic studies to determine expected renewals. In opinion of the company's management and appointed actuary assumptions used to set aside a liability against these lapsed policies is prudent.

For the purpose of liability adequacy tests the company makes assumptions relating to expenses. For this purpose regular expense analyses are carried out based on actual expenses and transaction volumes.

44.1.8 Sensitivity analysis

The Holding Company believes that the claim liabilities under insurance contracts outstanding at the year end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the consolidated financial statements. The impact on the profit before tax and shareholders' equity of the changes in the claim liabilities net of reinsurance is analyzed below. The sensitivity to changes in claim liabilities net of reinsurance is determined separately for each class of business while keeping all other assumptions constant.

Profit before tax		Shareholders' equity	
2025	2024	2025	2024
(Rupees in '000)			

Impact of change in claim liabilities by +10

Fire and property damage	(230,370)	(217,471)	(140,526)	(132,657)
Marine, aviation and transport	(66,124)	(76,686)	(40,336)	(46,778)
Motor	(83,500)	(81,328)	(50,935)	(49,610)
Miscellaneous	(70,534)	(67,889)	(43,026)	(41,412)
	(450,528)	(443,374)	(274,823)	(270,457)

Profit before tax		Shareholders' equity	
2025	2024	2025	2024
(Rupees in '000)			

Impact of change in claim liabilities by -10

Fire and property damage	230,370	217,471	140,526	132,657
Marine, aviation and transport	66,124	76,686	40,336	46,778
Motor	83,500	81,328	50,935	49,610
Miscellaneous	70,534	67,889	43,026	41,412
	450,528	443,374	274,823	270,457

The basic assumptions used in valuation of liabilities are mortality, disability, critical illness rates and investment returns assumed in discounting future cash flows. The table below presents sensitivity results with respect to above mentioned factors, with their impact observed on policyholder liabilities:

	% Change in sensitivity variables	% Change in policy holder liabilities
Sensitivity variables		
Worsening of mortality and critical illness rates	10.00%	0.019%
Improvement in mortality and critical illness rates	10.00%	-0.019%
Increase in investment returns	10.00%	-0.001%
Decrease in investment returns	10.00%	0.001%

44.2 Financial risk

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (comprising of currency risk, interest rate risk and other price risk). The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

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

44.3 Credit risk

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

Concentration of credit risk arises when a number of counterparties have a similar type of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in similar manner. Due to the nature of financial assets, the Group believes it is not exposed to any major concentration of credit risk.

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

	2025	2024
	----- (Rupees in '000) -----	
Financial Assets:		
Open-ended mutual funds	14,285,039	6,683,483
Debt securities (other than government securities)	7,459,202	7,910,928
Term deposits	4,086,645	1,013,163
Loans and other receivables	6,360,286	4,320,087
Insurance / reinsurance receivables	9,847,378	9,025,969
Reinsurance recoveries against outstanding claims	8,040,266	8,596,247
Cash at bank	7,912,745	7,337,108
Financial assets of window general takaful operations	7,573,197	6,176,965
	<u>65,564,758</u>	<u>51,063,950</u>

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

Issuer of TFCs	Rating Agency	Rating	2025	2024
			----- (Rupees in '000) -----	
Bank AL Habib Limited	PACRA	AAA	594,659	590,422
United Bank Limited	VIS	AA+	1,000,000	1,000,000
Soneri Bank Limited	PACRA	A+	150,000	150,000
Askari Bank Limited	PACRA	AA-	-	99,500
Habib Bank Limited	VIS	AA+	300,000	300,000
Askari Bank Limited	PACRA	AA-	500,000	500,000
Bank of Punjab	PACRA	AA	500,000	500,000
Bank of Punjab	PACRA	AA	890,759	890,955
TPL Corporation	PACRA	AA-	8,800	-
Bank Al Habib Limited	PACRA	AA+	200,000	200,000
United Bank Limited	PACRA	AA+	250,043	250,120
Kashf Foundation	PACRA	AAA	50,000	100,000
Bank Alfalah Limited	PACRA	AA+	600,000	600,000
			<u>5,044,261</u>	<u>5,180,997</u>

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

The management of the Holding Company monitors exposure to credit risk in premium receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. As at 31 December 2025, the premiums due but unpaid (other than impaired balances) includes amount receivable within one year and above one year amounting to Rs. 6,659 million (2024: Rs. 7,506 million) and Rs. 104 million (2024: Rs. 90 million) respectively.

The credit quality of amounts due from other insurers / reinsurers and claim recoveries from reinsurers of the Holding Company can be assessed with reference to external credit ratings as follows:

	2025		2024	
Rating	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims	Amounts due from insurers / reinsurers	Reinsurance recoveries against outstanding claims
	----- (Rupees in '000) -----			
A or above (including Pakistan Reinsurance Company Limited)	88,545	7,768,027	38,397	7,684,149
B or above	150	187,025	150	776,310
Others	-	85,214	-	135,788
	<u>88,695</u>	<u>8,040,266</u>	<u>38,547</u>	<u>8,596,247</u>

As at 31 December 2025, the amounts due from insurers / reinsurers includes amount receivable within one year and above one year amounting to Rs. 72 million (2024: Rs. 28 million) and Rs. 17 million (2024: Rs.10 million) respectively.

44.4 Liquidity risk

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

The objective of the Holding Company's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Holding Company's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

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

Financial Liabilities:	2025		
	Carrying Amount	Upto one year	Greater than one year
	----- (Rupees in '000) -----		
Outstanding claims including IBNR	12,545,548	12,545,548	-
Insurance / reinsurance payable	7,640,394	7,640,394	-
Other creditors and accruals	7,483,215	8,709,553	-
Lease liabilities	1,226,338	74,772	1,151,566
Financial liabilities of window general takaful operations	2,386,703	2,386,703	-
	<u>31,282,198</u>	<u>31,356,970</u>	<u>1,151,566</u>
	2024 (Restated)		
Financial Liabilities:			
Outstanding claims including IBNR	13,029,997	13,029,997	-
Insurance / reinsurance payable	8,022,899	8,022,899	-
Lease liabilities	732,848	68,014	664,834
Other creditors and accruals	6,063,749	6,063,749	-
Financial liabilities of window general takaful operations	1,889,947	1,889,947	-
	<u>29,739,440</u>	<u>29,074,606</u>	<u>664,834</u>

In life insurance business, liquidity risk is the risk that the Subsidiary Company is unable to meet its funding requirements, without incurring a material loss in disposing off its illiquid assets. To guard against this risk, the Subsidiary Company maintains a healthy balance of cash and cash equivalents and readily marketable securities. Liquidity is monitored regularly and assets are frequently rebalanced to maintain a certain level of liquidity at all times. Going forward, the Subsidiary Company also plans to set up a contingency plan, whereby alternate sources of liquidity will be identified and assets would be analyzed and ranked in their liquidity order, to determine which assets would need to be disposed off first in case of a liquidity crisis.

The expected payouts in liabilities along with maturity profile of assets and liabilities are monitored to ensure that adequate liquidity is maintained within the Subsidiary Company, to avoid the need of liquidating assets below their actual market value.

The following extract, classifies the assets and liabilities of the Subsidiary Company by type of product in each Statutory Fund as at 31 December 2025. The table below also presents details of assets under Shareholder's Fund:

	Investment linked products (all unit main linked plans)	Conventional products (individual, group life & riders)	Shareholders' fund	Total
	(Rupees in '000)			
Available for sale				
- Government securities	169,197,574	-	-	169,197,574
- Other fixed income securities	7,017,178	-	-	7,017,178
Held-to-maturity				
- Government securities	-	12,084,043	2,736,351	14,820,394
- Other fixed income securities	-	130,025	10,000	140,025
Available-for-sale				
- Listed equities	67,753,644	69,003	51,755	67,874,402
- Mutual funds	14,285,038	-	-	14,285,038
- Unlisted equities and mutual funds	-	-	508	508
Loans and receivables	-	-	142,622	142,622
Insurance receivables	-	2,014,428	-	2,014,428
Reinsurance assets	124,767	945,327	-	1,070,094
TDR and bank balances	6,835,735	2,365,264	31,956	9,232,955
Cash and stamps	2,434	10	-	2,444
Investment income accrued	4,013,680	157,577	19,660	4,190,917
Advances and deposits	422,997	318,131	-	741,128
Income tax assets	1,403,226	448,503	89,574	1,941,303
Prepayment	136,307	10,708	-	147,015
Sundry receivables	338,016	389,345	50,006	777,366
Right-of-use assets	-	-	976,977	976,977
Fixed assets	1,134,415	-	2,305,480	3,439,895
Total assets	272,665,010	18,932,364	6,414,889	298,012,263
Long-term insurance contracts and investment contracts:				
Fixed term	164,753,636	315,610	-	165,069,246
Whole of life	94,806,432	-	-	94,806,432
Short-term insurance contracts	-	7,617,949	-	7,617,949
Riders	-	207,815	-	207,815
Equity	-	-	5,308,996	5,308,996
Lease liability	-	25,642	1,105,893	1,131,535
Other liabilities	13,104,942	10,765,348	-	23,870,290
Total liabilities	272,665,010	18,932,364	6,414,889	298,012,263

44.5 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices such as interest rates, foreign exchange rates and equity prices.

The Holding Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in government securities, equity and term finance certificates markets. In addition, the Holding Company actively monitors the key factors that affect the underlying value of these securities.

In addition, the Subsidiary Company is exposed to the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Subsidiary Company is exposed to market risk in relation to its investments with respect to products other than unit linked products (in unit linked products, investment risk is borne by the policyholder). The Subsidiary Company limits market risk by maintaining a diversified portfolio and by continuously monitoring developments in government securities, equity and term finance certificates. The Subsidiary Company, along with minimizing market risk by careful diversification in assets, also periodically carries out an Asset Liability management exercise, to match its duration of assets and liabilities.

44.6 Interest rate risk

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

The information about Group's exposure to interest rate risk based on contractual reprising or maturity dates whichever is earlier, is as follows:

Maturity profile of financial assets and liabilities;

	2025						
	Interest / mark-up bearing			Non-interest / non-mark-up bearing			
	Maturity up to one year	Maturity above one years	Sub total	Maturity up to one year	Maturity above one years	Sub total	Total
	(Rupees in '000)						
Financial assets							
Investments	107,999,859	96,238,377	204,238,237	84,303,073	15,208,739	99,511,812	303,750,049
Investment in associate	-	-	-	-	-	-	-
Loans and other receivables	4,650,835	146,429	4,797,264	1,047,424	515,598	1,563,022	6,360,286
Cash and bank deposits	6,873,705	-	6,873,705	1,039,040	-	1,039,040	7,912,745
Insurance / reinsurance receivables	-	-	-	9,847,378	-	9,847,378	9,847,378
Reinsurance recoveries against - outstanding claim	-	-	-	8,040,266	-	8,040,266	8,040,266
Total assets of window general takaful operations	2,768,330	2,896,901	5,665,231	1,907,966	-	1,907,966	7,573,197
	122,292,729	99,281,707	221,574,437	106,185,147	15,724,337	121,909,484	343,483,921
Financial liabilities							
Outstanding claims including - IBNR	-	-	-	12,545,548	-	12,545,548	12,545,548
Insurance / reinsurance payables	-	-	-	7,640,394	-	7,640,394	7,640,394
Other creditors and accruals	-	-	-	7,483,215	-	7,483,215	7,483,215
Lease liabilities	74,772	1,151,565	1,226,338	-	-	-	1,226,338
Total liabilities of window general takaful operations	-	-	-	2,386,703	-	2,386,703	2,386,703
	74,772	1,151,565	1,226,338	30,055,860	-	30,055,860	31,282,198

	2025						Total
	Interest / mark-up bearing			Non-interest / non-mark-up bearing			
	Maturity up to one year	Maturity above one years	Sub total	Maturity up to one year	Maturity above one years	Sub total	
	(Rupees in '000)						
Financial assets							
Investments	122,592,331	85,023,908	207,616,239	50,176,308	8,881,733	59,058,041	266,674,280
Loans and other receivables	3,587,756	122,951	3,710,707	264,285	345,095	609,380	4,320,087
Cash and bank deposits	6,604,281	-	6,604,281	732,827	-	732,827	7,337,108
Insurance / reinsurance receivables	-	-	-	9,025,969	-	9,025,969	9,025,969
Reinsurance recoveries against outstanding claim	-	-	-	8,596,247	-	8,596,247	8,596,247
Total assets of window general takaful operations	983,912	5,115,628	6,099,540	77,469	-	77,469	6,177,009
	133,768,280	90,262,487	224,030,767	68,873,105	9,226,828	78,099,933	302,130,700
Financial liabilities							
Outstanding claims including IBNR	-	-	-	13,029,997	-	13,029,997	13,029,997
Insurance / reinsurance payables	-	-	-	8,022,899	-	8,022,899	8,022,899
Other creditors and accruals	-	-	-	6,063,749	-	6,063,749	6,063,749
Lease liabilities	68,014	664,834	732,848	-	-	-	732,848
Total liabilities of window general takaful operations	-	-	-	1,889,947	-	1,889,947	1,889,947
	68,014	664,834	732,848	29,006,592	-	29,006,592	29,739,440

The effective interest rate range (per annum) for the financial assets is as follows:

Saving and other accounts	2025	2024
	Percentage %	
Saving and other accounts	2.56% to 10.00%	13.00% to 19.00%
Deposits	10.25% to 20.00%	12.75% to 21.20%
Loans and advances	6.00% to 12.00%	6.00% to 12.00%
Investments	8.00% to 16.58%	8.00% to 22.87%

Sensitivity analysis

For cash flows sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below.

It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Change in basis points	Effect on profit and loss before tax	Effect on shareholder's equity
		(Rupees in '000)	
31 December 2025	100	68,737	41,930
	(100)	(68,737)	(41,930)
31 December 2024	100	65,790	40,132
	(100)	(65,790)	(40,132)

44.7 Foreign currency risk

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

44.8 Other price risk

Other price risk is the risk that the fair value or 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 Group's equity investments amounting to Rs. 85,227 million are susceptible to market price risk arising from uncertainty about the future value of investment securities. The Group limits market risk by diversifying its equity investment portfolio and by actively monitoring the developments in equity and money markets.

The table below summarizes the Group's market price risk as of 31 December 2025 and 2024. It shows the effect of a 10 % increase and 10 % decrease in the market prices of equity investments as on those dates on the Group's profit and equity.

Had all equity investments, other than associate, been measured at fair values as required by IAS 39, Financial Instruments: Recognition and measurement, the impact of hypothetical change would be as follows:

	Fair value	Price change	Estimated fair value	Effect on profit and loss before tax	Effect on shareholders' equity
	-Rupees in '000-	%		(Rupees in '000)	
31 December 2025	85,226,773	10 % increase	93,749,450	7,152,977	5,198,833
		10 % decrease	76,704,096	(7,152,977)	(5,198,833)
31 December 2024	52,546,031	10 % increase	57,800,634	4,453,396	3,205,308
		10 % decrease	47,291,428	(4,453,396)	(3,205,308)

44.9 Other risks

The Subsidiary Company faces a number of financial risks in its assets and liabilities, apart from insurance risk. These risks can be broadly categorized as expense risk, lapse risk, market risk, credit risk and liquidity risk. This section describes these risks on the Subsidiary Company level and identifies and describes the processes and strategy of management to manage these risks.

44.10 Expense risk

The risk that the Subsidiary Company faces is that future expenses may be higher than those used in pricing of products causing an expense overrun. The Subsidiary Company mitigates this risk by incorporating a certain level of acceptable conservatism in building future policy expense factors in pricing and expects to maintain its actual expenses within these limits. Regular monitoring of expenses allows the Subsidiary Company to adjust its pricing in time to account for higher-than-expected expenses.

The Subsidiary Company closely monitors its expenses by regularly carrying out an expense analysis for its business. The assumptions for future policy expense levels are determined from the Subsidiary Company's most recent annual expense analysis, with an extra margin built-in to account for variability in future expenses. A review of product pricing is carried out each year based on the latest available expense factors. Constant monitoring of expenses enables the Subsidiary Company to take corrective actions in time.

Based on the results of expense analysis, the Subsidiary Company apportions its management expenses to different lines of business.

44.11 Lapse risk

The risk the Subsidiary Company faces is that future persistency rates may be lower than assumed in pricing, thus impacting the emergence of profit from its portfolio of individual life policies. The Subsidiary Company however is confident that this risk is insignificant as the Subsidiary Company places tremendous emphasis on quality customer services and retention of clients by making persistent standard an integral part of the sales force culture. The Subsidiary Company has been consistently maintaining good levels of persistency and will continue a similar trend in future.

The Subsidiary Company has robust systems in place to regularly monitor the lapse experience. Regular focus on persistency is embedded in the Subsidiary Company culture and is an integral part of the monitoring of the sales force performance and remuneration.

44.12 Capital risk management

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

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

45 STATEMENT OF SOLVENCY - HOLDING COMPANY

	2025	2024
	----- (Rupees in '000) -----	
Assets		
Lands and buildings	3,032,757	2,953,138
Furniture, fixtures and office equipment	296,068	247,198
Vehicles	567,482	469,436
Work in progress	18,417	-
Property and equipment	3,914,724	3,669,772
Investment properties	3,737,181	3,462,112
Investments in subsidiary	7,612,613	8,120,149
Investments		
Equity securities	17,351,863	8,603,348
Debt securities	8,976,422	14,483,919
Term deposits	719,916	665,734
	27,048,201	23,753,001
Loans and mortgage	3,807	2,538
Current Assets - Others		
Insurance / reinsurance receivables	6,674,161	7,596,106
Amounts due from other insurers / reinsurers	88,695	38,397
Salvage recoveries accrued	115,305	92,600
Reinsurance recoveries against outstanding claims	8,040,266	8,596,247
Accrued investment income	459,918	567,764
Retirement benefits	5,953	1,680
Deferred commission expenses	1,483,625	1,510,828
Prepayments	13,025,399	10,715,960
Security deposits	242,920	234,301
Other receivables	784,084	116,066
	30,920,326	29,469,949
Cash and bank	2,116,840	1,717,797
Total assets	75,353,692	70,195,318
Total assets of window general takaful operations	10,272,566	8,171,782
Total assets	85,626,258	78,367,100

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

Loans to employees	3,307	1,842
Premium due since more than three months	373,518	2,917,660
Deferred tax - Operators' fund	6,610	-
Bank deposits related to guarantees	2,043,068	1,311,076
Bank deposits related to liens	38,819	38,819
Shares in any one Company or any group of related companies	5,435,233	6,119,839
Vehicles, furnitures, fixtures & office equipments	881,967	716,634
Vehicles, furnitures, fixtures, office equipments - Operators' fund	4,461	5,530
Total of in-admissible assets	8,786,983	11,111,400

Total admissible assets

Total liabilities

Underwriting provisions		
Outstanding claims including IBNR	12,545,548	13,029,997
Unearned premium reserves	20,673,685	18,315,194
Unearned reinsurance commission	348,688	329,486
Deferred taxation	1,359,217	1,426,822
Retirement benefit obligation	118,992	80,936
Premium received in advance	257,280	182,957
Insurance / reinsurance payables	7,114,753	7,830,481
Taxation - payments less provision	849,356	362,981
Other creditors and accruals	5,113,253	4,622,888
Total liabilities	48,380,772	46,181,742
Total liabilities of window general takaful operations	8,488,447	6,747,516
Total liabilities	56,869,219	52,929,258
Total net admissible assets	19,970,056	14,326,442

Minimum Solvency Requirement (higher of following)

Method A - U/s 36(3)(a)	150,000	150,000
Method B - U/s 36(3)(b)	4,246,962	4,115,959
Method C - U/s 36(3)(c)	3,589,975	3,411,208

Excess in net admissible assets over minimum requirements

15,723,094	10,210,483
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	2025						
	Statutory Fund						
	Shareholders fund	Investment linked business	Conventional business	Participating business	Pension business	Accident & health business	Individual family takaful
(Rupees in '000)							
Assets							
Property and equipment	3,023,121	982,067	-	-	-	-	-
Intangible assets	259,336	-	-	-	-	-	-
Investment in associate	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	152,349
Equity securities	52,263	70,960,269	5,196	-	10,703	63,807	11,067,710
Government securities	2,736,351	143,327,939	8,209,260	73,055	10,249	3,080,680	25,786,331
Debt securities	10,000	5,376,387	130,025	-	-	-	1,640,791
Term deposits	-	3,167,429	9,300	-	-	-	90,000
Insurance / reinsurance receivables	-	124,767	1,378,798	-	-	1,016,754	-
Other loans and receivables	892,050	4,795,692	614,752	643	222	283,953	1,088,241
Taxation - payments less provision	89,574	1,400,000	400,000	-	-	42,649	53,832
Prepayments	-	105,688	9,662	374	-	988	3,226
Cash and banks	31,956	1,514,887	1,624,769	16,000	10,955	141,196	30,245
Total assets (A)	7,094,651	231,755,125	12,381,762	90,072	32,129	4,630,027	41,913,791
In-admissible assets as per following clauses of section 32 (2):							
Interfund	(679,762)	(52)	(374,605)	-	-	(45,081)	-
32 (2) (o)	(2,046,144)	-	-	-	-	-	-
Fixed asset	(259,336)	-	-	-	-	-	-
32 (2) (u)	(57,010)	-	-	-	-	-	-
Intangible	-	-	-	-	-	-	-
32 (2) (d)	-	-	(326,790)	-	-	(29,581)	-
Unsecured loan	-	-	(47,815)	-	-	(15,500)	-
32 (2) (h)	-	-	-	-	-	-	-
Premium due	-	-	-	-	-	-	-
32 (2) (f)	-	-	-	-	-	-	-
Bank guarantee	-	-	-	-	-	-	-
Advances & deposits	-	-	-	-	-	-	-
34 (2) (a)	(3,042,252)	(52)	(374,605)	-	-	(45,081)	(3,115)
Total admissible assets (B)	4,052,399	231,755,073	12,007,157	90,072	32,129	4,584,946	41,913,791
Total admissible assets (C = A + B)	4,052,399	231,755,073	12,007,157	90,072	32,129	4,584,946	41,913,791
Total liabilities	433,279	-	120,880	1,187	-	-	-
Deferred taxation	-	1,387,275	85,870	-	-	-	-
Premium received in advance	-	49,984	-	-	-	-	-
Insurance / reinsurance payables	1,105,893	-	-	-	-	-	-
Lease liabilities	401,989	6,588,163	3,477,444	15,290	181	1,206,615	351,578
Other creditors and accruals	1,941,161	8,025,422	3,684,194	16,477	181	1,922,722	1,413,541
Total liabilities (D)	2,111,238	223,729,651	8,322,963	73,595	31,948	2,662,224	40,084,501
Total net admissible assets (E = C - D)	1,941,161	1,533,345,122	3,684,194	16,477	181	1,922,722	1,413,541
Minimum solvency requirement:	1,941,161	1,533,345,122	3,684,194	16,477	181	1,922,722	1,413,541
Shareholder's fund	165,000	-	61,51,408	33,005	31,416	1,842,241	212,755
Policyholders liability	-	-	2,171,555	2,950	532	819,983	435,925
Solvency margin	-	-	-	-	-	-	-
Excess in net admissible assets over minimum requirement	1,946,238	-	-	37,640	-	-	47,4619

47 FAIR VALUE

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Following are the assets where fair value is only disclosed and is different from their carrying value:

	2025							Fair value measurement using		
	Available-for-sale	Held-for-trading	Held-to-maturity	Loan & Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)									
Financial assets measured at fair value										
Investments										
Equity securities	13,696,496	71,530,277	-	-	-	-	85,226,773	85,226,773	-	-
Equity securities - unquoted	-	-	-	-	-	-	-	-	-	-
Debt securities	8,976,422	172,184,127	-	-	-	-	181,160,549	-	181,160,549	-
Open ended mutual funds	1,511,735	12,773,304	-	-	-	-	14,285,039	-	14,285,039	-
Debt securities of window general takaful operations	4,837,966	-	-	-	-	-	4,837,966	-	4,837,966	-
	29,022,619	256,487,708	-	-	-	-	285,510,327			
Financial assets not measured at fair value										
Government securities	-	-	18,010,043	-	-	-	18,010,043			
Term deposits*	-	-	4,086,645	-	-	-	4,086,645			
Loans and other receivables*	-	-	-	6,360,286	-	-	6,360,286			
Insurance / reinsurance receivables*	-	-	-	9,847,378	-	-	9,847,378			
Reinsurance recoveries against outstanding claims*	-	-	-	8,040,266	-	-	8,040,266			
Certificate of investment*	-	981,000	-	-	-	-	981,000			
Cash at bank*	-	-	-	-	7,912,745	-	7,912,745			
Total assets of window general takaful operations	-	-	-	1,906,097	838,370	-	2,744,467			
	-	981,000	22,096,688	26,154,027	8,751,115	-	57,982,830			
Total financial assets	29,022,619	257,468,708	22,096,688	26,154,027	8,751,115	-	343,493,157			
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*	-	-	-	-	-	(12,545,548)	(12,545,548)			
Premium received in advance*	-	-	-	-	-	-	-			
Insurance / reinsurance payables*	-	-	-	-	-	(7,640,394)	(7,640,394)			
Other creditors and accruals*	-	-	-	-	-	(7,483,215)	(7,483,215)			
Total liabilities of window general takaful operations	-	-	-	-	-	(2,386,703)	(2,386,703)			
Total financial liabilities	-	-	-	-	-	(30,055,860)	(30,055,860)			

	2024 (Restated)						Fair value measurement using			
	Available-for-sale	Held-for-trading	Held-to-maturity	Loan & Receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)									
Financial assets measured at fair value										
Investments										
Equity securities	7,840,090	44,534,468	-	-	-	-	52,374,558	52,374,558	-	-
Debt securities	14,483,919	176,156,449	-	-	-	-	190,640,368	-	190,640,368	-
Open ended mutual funds	1,041,135	5,642,348	-	-	-	-	6,683,483	-	6,683,483	-
Debt securities of window general takaful operations	4,277,383	-	-	-	-	-	4,277,383	-	4,277,383	-
	27,642,527	226,333,265	-	-	-	-	253,975,792			
Financial assets not measured at fair value										
Government securities	-	-	14,981,708	-	-	-	14,981,708			
Term deposits*	-	-	1,013,163	-	-	-	1,013,163			
Loans and other receivables*	-	-	-	4,320,087	-	-	4,320,087			
Insurance / reinsurance receivables*	-	-	-	9,025,969	-	-	9,025,969			
Reinsurance recoveries against outstanding claims*	-	-	-	8,596,247	-	-	8,596,247			
Certificate of investment*	-	981,000	-	-	-	-	981,000			
Cash and bank*	-	-	-	-	7,337,108	-	7,337,108			
Total assets of window general takaful operations	-	-	-	1,439,354	460,272	-	1,899,626			
	-	981,000	1,013,163	23,381,657	7,797,380	-	48,154,908			
Total financial assets	27,642,527	227,314,265	1,013,163	23,381,657	7,797,380	-	302,130,700			
Financial liabilities not measured at fair value										
Outstanding claims including IBNR*	-	-	-	-	-	(13,029,997)	(13,029,997)			
Insurance / reinsurance payables*	-	-	-	-	-	(8,022,899)	(8,022,899)			
Other creditors and accruals*	-	-	-	-	-	(6,063,749)	(6,063,749)			
Total liabilities of window general takaful operations	-	-	-	-	-	(1,889,947)	(1,889,947)			
Total financial liabilities	-	-	-	-	-	(29,006,592)	(29,006,592)			

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

48 NON-ADJUSTING EVENT AFTER THE CONSOLIDATED FINANCIAL STATEMENT DATE

- 48.1The Board of Directors in its meeting held on 03 March 2026 have announced a final cash dividend in respect of the year ended 31 December 2025 of Rs. 5.5 per share, 55 % (2024: Rs. 5.50 per share, 55.00 %). In addition, the Board of Directors have also approved the transfer to general reserve from un-appropriated profit amounting to Rs. 1,000 million (2024: Rs. 1,000 million). These consolidated financial statements for the year ended 31 December 2025 do not include the effect of these appropriations, which will be accounted for subsequent to the year end.
- 48.2Subsequent to the reporting date, geopolitical tensions in the Middle East escalated significantly following the outbreak of war. As Pakistan Stock Exchange (PSX) reacted to increased uncertainty, equity markets experienced volatility, with declines observed across several scrips and sectors. The Company holds investments in publicly listed companies, that are exposed to market conditions. Preliminary assessments indicate that the fair value of certain investments may have declined after the reporting date. Management continues to monitor the situation closely and is undertaking a detailed assessment of the financial implications. As these developments arose from circumstances not existing at the balance sheet date, they represent non adjusting events as defined under IAS 10 Events after the Reporting Period

49 CORRESPONDING FIGURES

Corresponding figures of total assets of window general takaful operations, and total liabilities and fund of window general takaful operations of the Holding company together with other adjustments have been restated as mentioned in note 1.5 of these consolidated financial statements to facilitate comparisons.

50 GENERAL

Figures have been rounded off to the nearest thousand rupees.

51 DATE OF AUTHORIZATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issue by the Board of Directors in its meeting held on 03 March 2026.

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman



13

WINDOW

TAKAFUL OPERATION

FINANCIAL STATEMENTS

MUFTI
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بسم الله الرحمن الرحيم

EFU General Insurance Limited-WTO
Annual Shariah Review Report
For the year ended 2025

The company, EFU General Insurance Limited started its Window Takaful Operations on 6th May 2015. By the grace of Allah, the year under review was the tenth successful year of Takaful in EFU General. The Board of Directors, Management and distribution channels have shown their sincere efforts for the promotion of Takaful and underwritten good numbers in Takaful Alhamdulillah

Progress during the Year 2025:

During the period under review; EFU General Window Takaful Operations (EFU General-WTO) has achieved significant success, detail of which are as follows:

1. Dedicated Window Takaful Branches have successfully recorded the Takaful contracts executed during the year.
2. Divisions and Branches fully participated in Takaful operations in different parts of the Country. A number of divisions have been allowed to underwrite and record Takaful independently. In this way, the Divisions, Branches have underwritten Takaful PMDs which increased the size of Takaful Pool and they provided excellent service of Takaful to their Participants.
3. Significant success has been achieved in the Takaful Agreements with Islamic Banks. At this stage, I am thankful to the Partner Banks for the confidence they have shown on EFU General-WTO's Takaful Products.

Shariah Compliance:

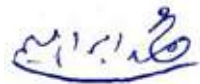
As Shari'ah Advisor of EFU General-WTO and based on my review; I confirm that:

- I have examined all the product documents of EFU General-WTO including Waqf Deed, Waqf rules, Takaful PMDs, Brochures, MOUs with Islamic Banks, and Retakaful Agreements etc, and Alhamdulillah, I have found them in accordance with Shari'ah Principles.
- All the investments of Takaful funds are undertaken in accordance with the consultation of undersigned and are according to the Shariah guidelines. Moreover, all Bank Accounts of Takaful are separate from the conventional insurance business and are maintained in Islamic Banks.
- Window Takaful Branch, Divisions and other related Departments of head office, before launching any Takaful Product, take guidance and advice of Shari'ah from the undersigned and always develop Takaful Products in accordance with the guidelines provided by me as Shari'ah Advisor.
- Segregation of Window Takaful Operations is the essential part of valid Takaful contracts. I am pleased to state that EFU General has realized criticalities of this issue and from the day one, Alhamdulillah, all the Takaful Funds, Investments, Bank Accounts, Systems and other related issues are kept separate from its conventional insurance business, as per requirement of Shari'ah.
- Conducting Training and Development is an imperative for understanding the principles of Takaful and its practical outline. For this purpose, EFU General-WTO fulfilled its responsibility and arranged classroom training sessions for takaful all over Pakistan; from Operational to the Distribution force levels working in their respective fields and I personally felt that participants gained significantly from these training sessions. I hope EFU General will continue this practice in the future.

While concluding; I state that the Shari'ah principles are being followed in letter and spirit in EFU General-WTO. I am grateful to the Board of Directors of EFU General, Management, Divisional and Branch Heads and all relevant departments who cooperated with me and provided me every possible support to ensure Shari'ah Compliance in our Takaful practices.

In the end; I pray to Allah Almighty to maintain the passion and dedication with which EFU General Insurance Limited has launched its Window Takaful Operations. May Allah Almighty grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to EFU General Window Takaful Operations.

والسلام عليكم ورحمة الله وبركاته



MUFTI MUHAMMAD IBRAHIM ESSA

Shariah Advisor

Dated: February 18, 2026



STATEMENT OF SHARIAH COMPLIANCE WITH THE SHARIAH PRINCIPLES

The financial arrangements, contracts and transactions, entered into by Window Takaful Operations of EFU General Insurance Limited ('the Company') for the year ended December 31, 2025 are in compliance with the Takaful Rules, 2012.

Further, we confirmed that:

- The Company 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 Company has imparted trainings / orientations and ensured availability of all manuals / agreements approved by Shariah Advisor/ Board of Directors to maintain the adequate level of awareness, capacity and sensitisation of the staff and 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; and
- 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.

This has been duly confirmed by the Shariah Advisor of the Company.

KAMRAN ARSHAD INAM

Managing Director &
Chief Executive Officer

Karachi: March 03, 2026



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Independent Reasonable Assurance Report to the Board of Directors on the Management's Statement of Compliance with the Shariah Principles

We were engaged by the Board of Directors of **EFU General Insurance Limited** ("the Operator") to report on the annexed Statement of Compliance (the Statement) with the Shariah Principles of the Window Takaful Operations (Takaful Operations) of the Company, as set out in the annexed Statement prepared by the management for the year ended **31 December 2025**, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the Statement presents fairly the status for the year ended 31 December 2025 of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Responsibilities of the Management

The management of the Company is responsible for designing, implementing, and maintaining internal controls relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Takaful Operations with the Takaful Rules, 2012 and other applicable laws and regulations.

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Takaful Operations comply with laws and regulations applicable to its activities. It is also responsible for ensuring that the management, where appropriate, those charged with governance, and personnel involved with the Takaful Operations compliance with the Takaful Rules, 2012 are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibilities

Our responsibility is to examine the annexed statement prepared by management and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), which is founded on

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fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of non-compliance with the Takaful Rules, 2012, whether due to fraud or error.

In making those risk assessments, we have considered internal controls relevant to the preparation of the Statement in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation of the Statement. Our engagement also included assessing the appropriateness of the compliance with Shariah Principles, the suitability of the criteria used by the management in preparing the Statement in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the Statement and the reasonableness of estimates made by the management and evaluating the overall presentation of the Statement. Reasonable assurance is less than absolute assurance.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

The procedures performed included:

- Evaluating the systems, procedures and practices in place with respect to the Takaful operations in compliance with the Takaful Rules, 2012 and Shariah advisor's guidelines;
- Evaluating the governance arrangements including the reporting of events and status relating to Takaful Operations to those charged with relevant responsibilities, such as the Audit Committee / Shariah Advisor and the Board of Directors;
- Testing transactions relating to Takaful operations, using an appropriate sample, to assess compliance of tested transactions carried out in compliance with the laid down procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012;
- Inspecting the Statement to assess whether it is prepared in accordance with Shariah Principles of Takaful Rules, 2012; and
- In performing our assurance procedures, necessary guidance on Shariah matters was provided by independent Shariah scholar.

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Characteristics and Limitations of the Statement

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Takaful Rules, 2012, and consequently cannot provide absolute assurance that the objective of compliance with Takaful Rules, 2012, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

Applicable Criteria

The criteria against which the subject matter information (the Statement) is assessed comprise of the provisions of Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (SECP).

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the annexed statement, for the year ended 31 December 2025, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Date: 6 March 2026

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants



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INDEPENDENT AUDITOR'S REPORT

To the members of EFU General Insurance Limited – Window Takaful Operations

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **EFU General Insurance Limited - Window Takaful Operations** (the Operator), which comprise the statement of financial position of OPF and PTF as at 31 December 2025, the profit and loss account, statement of comprehensive income, statement of changes in operator's fund and participants' takaful fund and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 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.



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

The 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.



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

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

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

Report on Other Legal and Regulatory Requirements Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Operator as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in operator's funds and participants' takaful fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, and Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- c) investments made and expenditure incurred during the year were for the purpose of the Operator's business; and



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

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

Date: 6 March 2026

Karachi

UDIN: AR202510096FXv7xQqyl


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Chartered Accountants

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025			2024		
		Operator's Fund	Participants' Takaful Fund	Total	Operator's Fund	Participants' Takaful Fund	Total
----- (Rupees in '000) -----							
Assets							
Property and equipment	5	4,461	-	4,461	5,530	-	5,530
Investments - Debt securities	6	1,861,715	2,976,251	4,837,966	1,292,402	2,984,937	4,277,339
Deposits and other receivables	7	999	2,450	3,449	773	1,167	1,940
Takaful / retakaful receivables	8	13,870	1,265,205	1,279,075	15,081	659,016	674,097
Retakaful recoveries against outstanding claims / benefits	20	-	534,064	534,064	-	665,806	665,806
Salvage recoveries accrued		-	69,540	69,540	-	39,890	39,890
Deferred commission expense	21	240,135	-	240,135	188,109	-	188,109
Receivable from PTF	9	556,318	-	556,318	505,793	-	505,793
Accrued investment income	10	34,229	55,280	89,509	28,317	69,194	97,511
Deferred wakala fee		-	867,309	867,309	-	590,994	590,994
Deferred taxation	13	6,610	-	6,610	-	-	-
Taxation - payments less provision		-	-	-	14,913	-	14,913
Prepayments	11	111	945,649	945,760	-	643,751	643,751
Cash and bank	12	241,721	596,649	838,370	152,636	313,473	466,109
Total assets		2,960,169	7,312,397	10,272,566	2,203,554	5,968,228	8,171,782
Funds and Liabilities							
Operator's Fund (OPF)							
Statutory fund		100,000	-	100,000	100,000	-	100,000
Revaluation reserve	15	(4,267)	-	(4,267)	7,105	-	7,105
Accumulated profit		1,688,386	-	1,688,386	1,317,161	-	1,317,161
Total Operator's Fund		1,784,119	-	1,784,119	1,424,266	-	1,424,266
Participants' Takaful Fund (PTF)							
Cede money		-	500	500	-	500	500
Revaluation reserve	15	-	(7,341)	(7,341)	-	30,957	30,957
Accumulated surplus		-	1,942,017	1,942,017	-	1,889,805	1,889,805
Balance of Participants' Takaful Fund		-	1,935,176	1,935,176	-	1,921,262	1,921,262
		1,784,119	1,935,176	3,719,295	1,424,266	1,921,262	3,345,528
Liabilities							
PTF Underwriting provisions							
Outstanding claims / benefits including IBNR	20	-	1,125,191	1,125,191	-	1,103,705	1,103,705
Unearned contribution reserves		-	2,422,638	2,422,638	-	1,663,179	1,663,179
Reserve for unearned retakaful rebate	19	-	170,288	170,288	-	120,740	120,740
Deferred taxation	13	-	-	-	949	-	949
Contribution received in advance		-	102,960	102,960	-	54,652	54,652
Takaful / Retakaful payables	14	263	936,289	936,552	160	544,848	545,008
Unearned wakala fee		867,309	-	867,309	590,994	-	590,994
Payable to OPF	9	-	556,318	556,318	-	505,793	505,793
Taxation - provision less payments		47,055	-	47,055	-	-	-
Other creditors and accruals	16	261,423	63,537	324,960	187,185	54,049	241,234
Total Liabilities		1,176,050	5,377,221	6,553,271	779,288	4,046,966	4,826,254
Total funds and liabilities		2,960,169	7,312,397	10,272,566	2,203,554	5,968,228	8,171,782

Contingencies and commitments 17

The annexed notes 1 to 35 form an integral part of these financial statements.

TAHER G. SACHAK Director	HASANALI ABDULLAH Director	NAJMUL HODA KHAN Chief Financial Officer	KAMRAN ARSHAD INAM Managing Director & Chief Executive Officer	SAIFUDDIN N. ZOOMKAWALA Chairman
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PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2025

	Note	2025	2024
		(Rupees in '000)	
Participants' Takaful Fund - (PTF)			
Contribution earned		2,360,525	2,017,688
Less: Contribution ceded to retakaful		(1,579,384)	(1,304,268)
Net contribution revenue	18	781,141	713,420
Retakaful rebate earned	19	292,283	253,742
Net underwriting results		1,073,424	967,162
Net claims - reported / settled - IBNR	20	(1,246,974)	(798,475)
Other direct expenses		(44,254)	(51,582)
(Deficit) / surplus before investment income		(217,804)	117,105
Investment income	23.2	326,351	496,494
Other income	24.2	33,679	40,949
Less: Modarib's share of OPF on investment income		(90,014)	(134,361)
Surplus transferred to accumulated surplus		52,212	520,187
Operator's Fund - (OPF)			
Wakala fee		1,297,962	1,141,949
Commission expense	21	(384,840)	(355,222)
General, administrative and management expenses	22	(563,803)	(474,058)
		349,319	312,669
Modarib's share of PTF on investment income		90,014	134,361
Investment income	23.1	169,762	208,719
Other income	24.1	14,566	13,445
Direct expenses	26	(14,939)	(14,693)
Profit before taxation		608,722	654,501
Taxation	27	(237,497)	(255,444)
Profit after taxation		371,225	399,057

The annexed notes 1 to 35 form an integral part of these financial statements.

TAHER G. SACHAK Director	HASANALI ABDULLAH Director	NAJMUL HODA KHAN Chief Financial Officer	KAMRAN ARSHAD INAM Managing Director & Chief Executive Officer	SAIFUDDIN N. ZOOMKAWALA Chairman
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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
Participants' Takaful Fund - (PTF)			
Surplus for the year		52,212	520,187
Other comprehensive income:			
Items that are or may be reclassified subsequently to the profit and loss account			
Net unrealized (loss) / gain arising during the year on revaluation of available-for-sale investments	15	(36,211)	33,384
Reclassification adjustments for (loss) / gain on sale of available-for-sale investments included in the profit and loss account		(2,087)	1,600
Other comprehensive (loss) / gain for the year		(38,298)	34,984
Total comprehensive income for the year		13,914	555,171
Operator's Fund - (OPF)			
Profit after tax for the year		371,225	399,057
Other comprehensive income:			
Items that are or may be reclassified subsequently to the profit and loss account			
Net unrealized (loss) / gain arising during the period on revaluation of available-for-sale investments - net	15	(11,372)	15,831
Reclassification adjustments for loss on sale of available-for-sale investments included in the profit and loss account - net		-	(644)
Other comprehensive (loss) / gain for the year		(11,372)	15,187
Total comprehensive income for the year		359,853	414,244

The annexed notes 1 to 35 form an integral part of these financial statements.

TAHER G. SACHAK Director	HASANALI ABDULLAH Director	NAJMUL HODA KHAN Chief Financial Officer	KAMRAN ARSHAD INAM Managing Director & Chief Executive Officer	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 03 March 2026

STATEMENT OF CHANGES IN FUNDS

For the year ended 31 December 2025

	Operator's Fund			
	Statutory fund	Unrealized gain / (loss) on revaluation of available-for-sale investments - net	Accumulated profit	Total
	----- (Rupees in '000) -----			
Balance as at 01 January 2024	100,000	(8,082)	918,104	1,010,022
Total comprehensive income for the year ended 31 December 2024	-	-	399,057	399,057
- Profit for the year	-	15,187	-	15,187
- Other comprehensive income	-	15,187	399,057	414,244
Balance as at 31 December 2024	100,000	7,105	1,317,161	1,424,266
Balance as at 01 January 2025	100,000	7,105	1,317,161	1,424,266
Total comprehensive income for the year ended 31 December 2025	-	-	371,225	371,225
- Profit for the year	-	(11,372)	-	(11,372)
- Other comprehensive loss	-	(11,372)	371,225	359,853
Balance as at 31 December 2025	100,000	(4,267)	1,688,386	1,784,119
	Participants' Takaful Fund			
	Cede money	Unrealized gain / (loss) on revaluation of available-for-sale investments - net	Accumulated surplus	Total
	----- (Rupees in '000) -----			
Balance as at 01 January 2024	500	(4,027)	1,369,618	1,366,091
Total comprehensive income for the year ended 31 December 2024	-	-	520,187	520,187
- Surplus for the year	-	34,984	-	34,984
- Other comprehensive income	-	34,984	520,187	555,171
Balance as at 31 December 2024	500	30,957	1,889,805	1,921,262
Balance as at 01 January 2025	500	30,957	1,889,805	1,921,262
Total comprehensive income for the year ended 31 December 2025	-	-	52,212	52,212
- Surplus for the year	-	(38,298)	-	(38,298)
- Other comprehensive loss	-	(38,298)	52,212	13,914
Balance as at 31 December 2025	500	(7,341)	1,942,017	1,935,176

The annexed notes 1 to 35 form an integral part of these financial statements.

TAHER G. SACHAK Director	HASANALI ABDULLAH Director	NAJMUL HODA KHAN Chief Financial Officer	KAMRAN ARSHAD INAM Managing Director & Chief Executive Officer	SAIFUDDIN N. ZOOMKAWALA Chairman
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Karachi 03 March 2026

CASH FLOWS STATEMENT

For the year ended 31 December 2025

Note	Operator's Fund		Participants' Takaful Fund	
	2025	2024	2025	2024
(Rupees in '000)				
Operating cash flows				
a) Takaful activities				
Contributions received	-	-	3,870,372	3,215,914
Retakaful contribution paid	-	-	(1,489,135)	(1,168,474)
Claims / benefits paid	-	-	(1,869,233)	(1,286,983)
Retakaful and other recoveries received	-	-	735,532	433,173
Commission paid	(374,435)	(368,288)	-	-
Retakaful rebate received	-	-	341,831	270,109
Wakala fee received / (paid)	1,518,459	1,138,203	(1,518,459)	(1,138,203)
Modarib share received / (paid)	95,307	134,659	(95,307)	(134,659)
Net cash flow generated from / (used in) takaful activities	1,239,331	904,574	(24,399)	190,877
b) Other operating activities				
Income tax paid	(175,817)	(298,185)	-	-
General and other expenses paid	(564,473)	(476,376)	(44,253)	(51,582)
Other operating payments	874	3,003	9,488	15,865
Other operating receipts	(622)	15,047	(1,993)	24,572
Net cash flow used in other operating activities	(740,038)	(756,511)	(36,758)	(11,145)
Total cash flow generated from / (used in) all operating activities	499,293	148,063	(61,157)	179,732
Investing activities				
Profit / return received	178,417	223,390	380,384	552,728
Payment for investments	(1,151,416)	(447,522)	(1,801,847)	(1,075,022)
Proceeds from investments	563,459	138,012	1,765,796	381,532
Fixed capital expenditures	(668)	(848)	-	-
Proceeds from disposal of property and equipment	-	1,805	-	-
Total cash flow (used in) / generated from investing activities	(410,208)	(85,163)	344,333	(140,762)
Net cash flow generated from all activities	89,085	62,900	283,176	38,970
Cash and cash equivalents at the beginning of the year	152,636	89,736	313,473	274,503
Cash and cash equivalents at the end of the year	12 241,721	152,636	596,649	313,473
Reconciliation to the profit and loss account				
Operating cash flow	499,293	148,063	(61,157)	179,732
Depreciation expense	5.1 (1,737)	(1,805)	-	-
Gain on disposal of property and equipment	24 -	1,805	-	-
(Loss) / gain on disposal of investments	23 -	(210)	(6,439)	10,896
Investment income	23 169,762	208,929	332,790	485,598
Other income	24 14,566	11,640	33,679	40,949
Increase in assets other than cash	87,053	97,569	1,083,593	151,807
Increase in liabilities other than borrowings	(397,712)	(66,934)	(1,330,254)	(348,795)
Profit after tax / surplus for the year	371,225	399,057	52,212	520,187
Attributed to				
Operator's Fund	371,225	399,057	-	-
Participants' Takaful Fund	-	-	52,212	520,187
	371,225	399,057	52,212	520,187

The annexed notes 1 to 35 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

EFU General Insurance Company Limited (the Operator) was incorporated as a public limited company on 02 September 1932. The Operator is registered under Companies Act, 2017 and is listed on the Pakistan Stock Exchange and is engaged in non-life insurance business comprising of fire and property damage, marine, aviation and transport, motor and miscellaneous.

The Registered Office of the Operator is situated in Kamran Centre, 1st Floor 85 East, Jinnah Avenue Blue Area Islamabad while the principal place of business is located at EFU House, M.A. Jinnah Road, Karachi. EFU General Insurance Limited (the Operator) was allowed to undertake Window Takaful Operations (the Operations) on 16 April 2015 by Securities and Exchange Commission of Pakistan (SECP) under SECP Takaful Rules, 2012 to carry on General Window Takaful Operations (OPF) in Pakistan.

For the purpose of carrying on the takaful business, the Operator has formed a Waqf / Participants' Takaful Fund (PTF) on 06 May 2015 under the Waqf deed. The Waqf deed governs the relationship of Operator and Participants for management of takaful operations.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of Compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017, Insurance Ordinance, 2000, Takaful Rules, 2012 and General Takaful Accounting Regulations 2019.

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis except for the available-for-sale investments that have been measured at fair value. All transactions reflected in these financial statements are on accrual basis except for those reflected in cash flows statement.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is also the Operator's functional and presentational currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupees in thousand, unless otherwise stated.

2.4 Standards, interpretations and amendments effective during the current year

There is a new amendment that is applicable for the Operator’s accounting periods beginning on or after 01 January 2025 that is considered not to have a material impact on the Operator’s financial statements and hence not disclosed in these financial statements.

Effective date	New amendments to standard
01 January 2025	Lack of Exchangeability – The Effects of Changes in Foreign Exchange Rates (Amendments to IAS 21)

2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2026.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures:

- Financial Assets with ESG-linked features:

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

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

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

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

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

The amendments apply for reporting periods beginning on or after 01 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities

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

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

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

The amendments apply for reporting periods beginning on or after 01 January 2026. Earlier application is permitted.

- Other related amendments:

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

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

- Disclosures on investments in equity instruments:

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

The amendments apply for reporting periods beginning on or after 01 January 2026. Earlier application is permitted.

Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

- Adoption of IFRS 18 and IFRS 19

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444 (I) / 2025 dated 12 December 2025 has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633 (I) / 2014, shall be replaced with "IFRS-18, Presentation and Disclosure in Financial Statements" and "IFRS-19, Subsidiaries without Public Accountability: Disclosures", and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after 01 January 2027:

Provided that only unlisted subsidiaries without public accountability (i.e. unlisted companies other than those mentioned in clauses 1 (b) (ii), 1 (b) (iia) and 1 (b) (iii) of the Third Schedule to the Act) may follow "IFRS-19, "Subsidiaries without Public Accountability: Disclosures" in preparation of their financial statements.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

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

2.5.1 Temporary exemption from IFRS 17 and IFRS 9

Pursuant to the requirements of Securities and Exchange Commission of Pakistan SRO 1336 (I) / 2025 dated 23 July 2025 IFRS 17 “Insurance Contracts”, is applicable to the companies engaged in insurance/takaful and reinsurance/retakaful business from financial years commencing on or after 01 January 2027 and SECP has directed that the applicability period of optional temporary exemption from applying IFRS 9 – Financial Instrument as given in para 20A of IFRS 4 – Insurance Contracts is extended for annual periods beginning before 01 January 2027, subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4.

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

SECP vide letter no. ID/MDPRD/IFRS-17/2021/176 dated 15 June 2021 initiated a four-phase approach towards implementation of IFRS 17 - Insurance Contracts. The first three phases now stand completed and Phase 4 parallel run and implementation has commenced and is currently under progress. On 23 December 2025 via letter no. ID/MDPRD/IFRS-17/2025/4228 SECP further extended the deadline for submission of the audited long form report to 31 May 2026.

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

- a) financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding, excluding any financial asset that meets the definition of fair value through profit and loss in IFRS 9, or that is managed and whose performance is evaluated on a fair value basis; and
- b) all other financial assets.

Fair value of financial assets as at 31 December 2025 and change in the fair values during the year ended 31 December 2025:

		2025 (Operator's Fund)		
		Failed the SPPI test	Passed the SPPI test	
Financial assets	Fair value	Change in unrealized gain / (loss) during the year	Fair value	Change in unrealized gain / (loss) during the year
(Rupees in '000)				
Cash at bank*	-	-	241,721	-
Investment in debt securities	-	-	1,861,715	(18,643)
Accrued investment income*	-	-	34,229	-
	-	-	2,137,665	(18,643)

Financial assets	2025 (Participants' Fund)			
	Failed the SPPI test		Passed the SPPI test	
	Fair value	Change in unrealized gain / (loss) during the year	Fair value	Change in unrealized gain / (loss) during the year
		(Rupees in '000)		
Cash at bank*	-	-	587,413	-
Investment in debt securities	-	-	2,976,251	(38,298)
Accrued investment income*	-	-	55,280	-
	-	-	3,618,944	(38,298)

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

Fair value of financial assets as at 31 December 2024 and change in fair values during the year ended 31 December 2024:

	2024 (Operator's Fund)			
	Failed the SPPI test		Passed the SPPI test	
	Fair value	Change in unrealized gain / (loss) during the year	Fair value	Change in unrealized gain / (loss) during the year
	(Rupees in '000)			
Cash at bank*	-	-	152,636	-
Investment in debt securities	-	-	1,292,402	24,898
Accrued investment income*	-	-	28,317	-
	-	-	1,473,355	24,898

	2024 (Participants' Fund)			
	Failed the SPPI test		Passed the SPPI test	
	Fair value	Change in unrealized gain / (loss) during the year	Fair value	Change in unrealized gain / (loss) during the year
	(Rupees in '000)			
Cash at bank*	-	-	307,636	-
Investment in debt securities	-	-	2,984,937	34,984
Accrued investment income*	-	-	69,194	-
	-	-	3,361,767	34,984

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The Operator has consistently applied the following accounting policies to all periods presented in these financial statements for the year ended 31 December 2025. These are consistent with those applied in preparation of the published annual audited financial statements of the Operator for the year ended 31 December 2024.

3.1 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged using the straight line method in accordance with the rates specified in note 5.1 to these financial statements and after taking into account residual values, if significant.

Depreciation on additions during the year 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 recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the Operator and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to the profit and loss account as and when incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. 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 account in the year the asset is derecognized. Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each reporting date.

3.2 Takaful Contracts

The takaful contracts are based on the principles of Wakala. The takaful contracts so agreed usually inspire concept of tabarru (to donate for benefit of others) and mutual sharing of losses with the overall objective of eliminating the element of uncertainty.

Contracts under which 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 Operator underwrites non-life takaful contracts that can be categorized into fire and property damage, marine, aviation and transport, motor and miscellaneous contracts. Contracts may be concluded for a fixed term of one year, for less than one year and in some cases for more than one year. However, most of the contracts are for twelve months duration. Takaful contracts entered into by the Operator under which the contract holder is another Takaful Operator (inwards retakaful) of a facultative nature are included within the individual category of takaful contracts, other than those, which fall under treaty. The takaful risk involved in these contracts is similar to the contracts undertaken by the Operator as takaful operator.

a) Fire and Property

Fire and property damage insurance contracts mainly compensate the Participant's for damage suffered due to fire, earthquake, riots / strike, explosion, atmospheric disturbance, flood, electric fluctuation and impact, burglary, loss of profit followed by the incident of fire, contractor's all risk, erection all risk, machinery

breakdown and boiler damage, etcetera. According to the terms and conditions of the policy, to their properties or for the value of property lost. Participant's 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.

b) Marine, Aviation and Transport

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

c) Motor

Motor insurance contracts provide indemnity for accidental damage to or total loss of insured vehicle including loss of or damage to third party and other comprehensive car coverage, according to terms and conditions of the policy (policy is made under the requirements of the Motor Vehicle Ordinance, 1965).

d) Miscellaneous

All other types of takaful contracts are classified in miscellaneous category like cover against burglary, loss of cash in safe, cash in transit, cash on counter, fidelity guarantee, personal accident, workmen compensation, travel loss, crop damage, mobilization and performance bond, public liabilities, livestock loss, bankers and other financial institutions packages, product liabilities, professional indemnity etcetera, according to terms and conditions of the policy.

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 and travel etc. are provided to individual customers, whereas, takaful contracts of fire and property, marine, aviation and transport and other commercial line products are provided to commercial organizations.

3.3 Contribution

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

3.4 Unearned contributions reserve

The unearned contribution is the unexpired portion of the premium including administrative surcharge, which relates to business in force at the financial statement date. Unearned contribution have been calculated by applying twenty-fourths' method as specified in the Insurance accounting regulations, 2017.

3.5 Contribution deficiency reserve (liability adequacy test)

At each financial statement date, liability adequacy tests are performed separately for each class of business to ensure the adequacy of the unearned contribution liability for that class. It is performed by comparing the expected future liability, after retakaful, from claims and other expenses, including retakaful expense, wakala and other underwriting expenses, expected to be incurred after financial statement date in respect of policies in force at financial statement date with the carrying amount of unearned contribution liability. Any deficiency is recognized by establishing a provision (contribution deficiency reserve) to meet the deficit.

The expected future liability is estimated with reference to the experience during the expired period of the contracts, adjusted for significant individual losses which are not expected to recur during the remaining period of the policies and expectations of future events that are believed to be reasonable.

The movement in the contribution deficiency reserve is recognized as an expense or income in the profit and loss account for the year.

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

	2025	2024
Fire and property damage	25%	29%
Marine, aviation and transport	25%	15%
Motor	54%	52%
Miscellaneous	39%	19%

3.6 Retakaful contracts

These are contracts entered into by the Operator with retakaful operators for compensation of losses suffered on takaful contracts issued. These retakaful contracts include both facultative and treaty arrangement contracts and are classified in same categories of takaful contracts for the purpose of these financial statements. The PTF recognizes the entitled benefits under the contracts as various retakaful assets. Retakaful contribution is recognized as an expense when retakaful is ceded. Retakaful assets and liabilities are derecognized when contractual rights are extinguished or expired.

The portion of retakaful contribution not recognized as an expense is shown as a prepayment.

- for retakaful contracts operating on a proportional basis, a liability to the reinsurer is recognized on attachment of the underlying policies reinsured, while an asset is recognized for the unexpired period of retakaful coverage at the reporting date as prepaid retakaful contribution ceded and the same is expensed over the period of underlying policies.
- For retakaful contracts operating on a non-proportional basis, and for which the term of the retakaful contract is not directly referable to the term of any underlying policy or policies, on inception of the retakaful contract.

An impairment review of retakaful assets is performed at each financial statement date. If there is an objective evidence that the asset is impaired, the Operator reduces the carrying amount of the retakaful asset to its recoverable amount and recognizes that impairment loss in the profit and loss account.

3.6.1 Takaful receivable

Receivables under takaful contracts are recognized when due, at the fair value of the consideration receivable. If there is objective evidence that the receivable is impaired, the Operator reduces the carrying amount of the receivable accordingly and recognizes it as impairment loss.

An assessment is made at each reporting date to determine whether there is an objective evidence from external as well as internal source of information that a financial asset or group of assets may be impaired i.e. recoverable amount at the reporting date is less than earning amount of asset. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized, in the profit and loss account, for the difference between the recoverable amount and the carrying amount. Provisions for impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Changes in provisions are recognized as income or expense, in the profit and loss account.

3.7 Segment reporting

An operating segment is a component of the Operator 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 other components. All operating segments' results are reviewed regularly by the Operator's key management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Operators presents segment reporting of operating results using the classes of business as specified under the takaful accounting regulations 2019 as the primary reporting format.

The Operator has four primary business segments for reporting purposes namely, fire and property damage, marine, motor and miscellaneous. The nature and business activities of these segments are disclosed in note 3.2.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them while the carrying amount of certain assets used jointly by two or more segments have been allocated to segments on a reasonable basis. Those assets and liabilities, which cannot be allocated to a particular segment on a reasonable basis, are reported as unallocated corporate assets and liabilities.

3.8 Revenue recognition

3.8.1 Participants' Takaful Fund (PTF)

3.8.1.1 Contribution

The revenue recognition policy for contributions is given under note 3.3.

3.8.1.2 Rebate from retakaful operators

Rebate from retakaful operators is deferred and recognized as revenue in accordance with the pattern of recognition of the retakaful contribution to which it relates.

3.8.2 Operator's Participant Fund (OPF)

The revenue recognition policy for wakala fee is given under note 3.14.

3.8.3 PTF / OPF

3.8.3.1 Investment income

Profit on debt investments, profit on sharing accounts and bank deposits are recognized on accrual basis.

3.9 Investments

- In debt securities - available-for-sale

3.9.1 Recognition

Investments classified as available for sale are initially recognized at fair value plus directly attributable transaction costs. All purchases and sales of investments that require delivery within the time frame established by regulations or market convention are accounted for at the trade date. Trade date is the date when the Operator commits to purchase or sell investments.

3.9.2 Measurement

3.9.2.1 Available-for-sale

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

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

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

3.9.2.2 Held to maturity

At the time of acquisition, investments with fixed determinable payments and 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 amortized cost using the effective yield, less provision for impairment losses, if any. Any premium paid or discount availed on acquisition of held to maturity investment is deferred and amortized over the term of investment using the effective yield method.

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

3.10 Claims

Claims are charged to PTF as incurred based on estimated liability for compensation owed under the takaful contracts. It includes claims handling costs that are directly related to the processing and settlement of claims (including surveyor cost), a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years.

3.10.1 Provision for outstanding claims (including IBNR)

Outstanding claims represents 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 and IBNR represents losses that have incurred or are in the occurrence period at the end of the reporting year and have not been intimated to the Operator by the end of the reporting year.

A liability for outstanding claims is recognized in respect of all claims incurred up to the financial statement date which is measured at the undiscounted value of expected future payments. Provision for outstanding claims include amounts in relation to claims reported but not settled, claims incurred but not reported (IBNR) and expected claims settlement costs.

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

The provision for claims incurred but not reported (IBNR) is made at the financial statement date. SECP through its circular 9 of 2016 dated 09 March 2016 issued 'SECP guidelines for estimation of incurred but not reported (IBNR) claims reserve 2016' for non-life insurance Companies and required to comply with all provisions of these guidelines with effect from 01 July 2016, the Operator has changed its method of estimation of IBNR. The Operator takes actuarial advice for the determination of IBNR claims. IBNR claim have been estimated using Chain Ladder (CL) methodology or any other alternate method as allowed under the provisions of the guidelines. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

3.11 Taxation

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

3.11.1 Current tax

Provision for current taxation is based on taxable income determined in accordance with the prevailing law for taxation of income and is calculated using enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for the current taxation also includes adjustments where considered necessary, relating to prior years which arise from assessments framed / finalized during the year or required by any other reason.

3.11.2 Deferred tax

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

The taxation of Operators' Fund is made while including in the Operator's results as a whole and accordingly taxation has been recorded.

3.12 Management expenses

All expenses of management have been allocated between business of Operator and Window Takaful Operations – Operators' Fund to the various revenue accounts as deemed equitable by management based on the detailed exercise carried out by management on an annual basis.

3.13 Commission expense

Commission expenses incurred in obtaining and recording policies is deferred and recognized as an expense in accordance with pattern of recognition of contribution revenue by applying the 1/24th method.

3.14 Wakala fees

The Operator manages the general takaful operations for the participants and charges 35.00% (2024: 35.00%) for fire and property, 35.00% (2024: 35.00%) for marine, aviation and transport, 35.00% (2024: 35.00%) for motor, 40.00% (2024: 40.00%) for motor Ijara, 35% (2024: 35%) for miscellaneous, 35% (2024: 15%) for terrorism of gross contribution written including administrative surcharge as wakala fee against the services.

Wakala fee is recognized on the same basis on which the related revenue is recognized. Unearned portion of wakala fee is recognized as a liability of OPF and an asset of PTF.

3.15 Modarib fee

The Operator also manages the participants' investment as modarib and charges 25% (2024: 25%) of investment income and profit on profit and loss sharing accounts and bank deposits earned by the PTF as Modarib fee. It is recognized on the same basis on which related revenue is recognized.

3.16 Cash and cash equivalents

Cash and cash equivalents includes policy and revenue stamps, bond papers, cash at bank, and term deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Operator in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Operator cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The judgments, estimates, and associated assumptions are based on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates about carrying values of assets and liabilities that are not readily apparent from other sources

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the revision and future periods if the revision affects both current and future periods.

In particular, the matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the unconsolidated financial statements are:

	Note
– Property and equipment	3.1
– Contribution deficiency reserve (liability adequacy test)	3.5
– Takaful Receivable	3.6.1
– Provision for outstanding claims (including IBNR)	3.10.1
– Taxation	3.11

	Note	2025	2024
		(Rupees in '000)	
5	PROPERTY AND EQUIPMENT		
	Operating assets	5.1	4,461
			5,530

5.1

Operator's Fund - 2025										
Cost					Rate %	Depreciation				WDV
As at 01 January	Additions	Disposals / Adjustments	As at 31 December	As at 01 January		For the year	Disposals / Adjustments	As at 31 December	As at 31 December	
(Rupees in '000)						(Rupees in '000)				
Vehicles	7,302	-	-	7,302	20	2,359	1,460	-	3,819	3,483
Furniture and fixtures	1,721	668	-	2,389	10	1,394	203	-	1,597	792
Computer equipment	1,043	-	-	1,043	30	919	48	-	967	76
Office equipment	451	-	-	451	10	315	26	-	341	110
	10,517	668	-	11,185		4,987	1,737	-	6,724	4,461
Operator's Fund - 2024										
Cost					Rate %	Depreciation				WDV
As at 01 January	Additions	Disposals / Adjustments	As at 31 December	As at 01 January		For the year	Disposals / Adjustments	As at 31 December	As at 31 December	
(Rupees in '000)						(Rupees in '000)				
Vehicles	8,422	560	(1,680)	7,302	20	2,524	1,515	(1,680)	2,359	4,943
Furniture and Fixtures	1,579	142	-	1,721	10	1,238	157	-	1,394	327
Computer Equipment	1,029	143	(129)	1,043	30	952	96	(129)	919	124
Office Equipment	448	3	-	451	10	277	37	-	315	136
	11,478	848	(1,809)	10,517		4,991	1,805	(1,809)	4,987	5,530

5.1.1 No disposal of property and equipment occurred during the year.

5.1.2 Both conventional and takaful operations share the same premises; however, as the lease is held by the conventional business, the entire right-of-use asset and lease liability are recognized in the conventional segment in accordance with IFRS 16.

6 INVESTMENTS - DEBT SECURITIES

6.1 Operator's Fund - Available-for-sale

	2025			2024		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000)					
Fixed income securities						
Ijara sukuks	1,843,710	-	1,843,710	1,255,754	-	1,255,754
Corporate sukuks	33,931	(8,931)	25,000	33,931	(8,931)	25,000
	1,877,641	(8,931)	1,868,710	1,289,685	(8,931)	1,280,754
(Deficit) / surplus on revaluation	-	-	(6,995)	-	-	11,648
	1,877,641	(8,931)	1,861,715	1,289,685	(8,931)	1,292,402

6.1.1	Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2025
	Ijara sukuks					----- (Rupees in '000) -----	
	5 Year GoP ijarah sukuk	5 Year	2026	10.15%	Half yearly	25,000	25,103
	5 Year GoP ijarah sukuk	5 Year	2026	10.28%	Half yearly	2,000	2,008
	5 Year GoP ijarah sukuk	5 Year	2026	9.54%	Half yearly	16,900	16,969
	5 Year GoP ijarah sukuk	5 Year	2026	9.07%	Half yearly	40,000	40,164
	5 Year GoP ijarah sukuk	5 Year	2026	9.91%	Half yearly	58,000	58,238
	5 Year GoP ijarah sukuk	5 Year	2026	10.30%	Half yearly	10,000	10,038
	5 Year GoP ijarah sukuk	5 Year	2026	9.12%	Half yearly	55,000	55,209
	5 Year GoP ijarah sukuk	5 Year	2026	10.03%	Half yearly	190,000	190,722
	5 Year GoP ijarah sukuk	5 Year	2026	10.79%	Half yearly	90,000	90,198
	5 Year GoP ijarah sukuk	5 Year	2027	9.56%	Half yearly	6,500	6,546
	5 Year GoP ijarah sukuk	5 Year	2027	8.81%	Half yearly	7,000	7,049
	5 Year GoP ijarah sukuk	5 Year	2027	9.74%	Half yearly	145,000	146,015
	5 Year GoP ijarah sukuk	5 Year	2027	9.97%	Half yearly	289,000	291,023
	5 Year GoP ijarah sukuk	5 Year	2027	10.66%	Half yearly	30,000	30,252
	5 Year GoP ijarah sukuk	5 Year	2027	10.84%	Half yearly	20,000	20,168
	5 Year GoP ijarah sukuk	5 Year	2027	10.87%	Half yearly	68,000	68,571
	5 Year GoP ijarah sukuk	5 Year	2027	11.17%	Half yearly	25,000	25,210
	5 Year GoP ijarah sukuk	5 Year	2027	11.17%	Half yearly	20,000	20,168
	5 Year GoP ijarah sukuk	5 Year	2027	10.69%	Half yearly	30,000	30,252
	5 Year GoP ijarah sukuk	5 Year	2027	10.87%	Half yearly	4,000	4,034
	5 Year GoP ijarah sukuk	5 Year	2027	10.03%	Half yearly	50,000	50,420
	5 Year GoP ijarah sukuk	5 Year	2027	10.03%	Half yearly	21,000	21,176
	5 Year GoP ijarah sukuk	5 Year	2027	10.10%	Half yearly	12,000	12,101
	5 Year GoP ijarah sukuk	5 Year	2027	10.11%	Half yearly	29,000	29,244
	5 Year GoP ijarah sukuk	5 Year	2027	10.51%	Half yearly	50,000	50,420
	5 Year GoP ijarah sukuk	5 Year	2027	9.30%	Half yearly	10,000	10,084
	5 Year GoP ijarah sukuk	5 Year	2027	9.11%	Half yearly	18,000	18,151
	5 Year GoP ijarah sukuk	5 Year	2027	9.11%	Half yearly	23,000	23,193
	5 Year GoP ijarah sukuk	5 Year	2027	9.49%	Half yearly	33,000	33,277
	5 Year GoP ijarah sukuk	5 Year	2027	9.95%	Half yearly	161,000	162,352
	5 Year GoP ijarah sukuk	5 Year	2027	10.33%	Half yearly	216,000	217,814
	5 Year GoP ijarah sukuk	5 Year	2028	9.48%	Half yearly	70,000	70,546
	Total Ijara sukuks						1,836,715
	Corporate sukuk						
	Dubai Islamic Bank Ltd. sukuk	-	Perpetual	12.82%	Monthly	25,000	25,000
							1,861,715

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2024
Ijarah sukuks					----- (Rupees in '000) -----	
5 Year GoP ijarah sukuk	5 Year	2025	13.63%	Half yearly	40,000	40,332
5 Year GoP ijarah sukuk	5 Year	2025	13.63%	Half yearly	25,000	25,208
5 Year GoP ijarah sukuk	5 Year	2025	13.66%	Half yearly	50,000	50,415
5 Year GoP ijarah sukuk	5 Year	2025	12.75%	Half yearly	30,000	30,294
5 Year GoP ijarah sukuk	5 Year	2025	12.73%	Half yearly	43,500	43,926
5 Year GoP ijarah sukuk	5 Year	2025	12.73%	Half yearly	17,000	17,166
5 Year GoP ijarah sukuk	5 Year	2025	12.79%	Half yearly	30,000	30,294
5 Year GoP ijarah sukuk	5 Year	2025	12.86%	Half yearly	30,000	30,294
5 Year GoP ijarah sukuk	5 Year	2025	12.78%	Half yearly	27,000	27,265
5 Year GoP ijarah sukuk	5 Year	2025	13.00%	Half yearly	35,000	35,343
5 Year GoP ijarah sukuk	5 Year	2025	18.77%	Half yearly	13,000	13,315
5 Year GoP ijarah sukuk	5 Year	2025	18.68%	Half yearly	15,000	15,363
5 Year GoP ijarah sukuk	5 Year	2025	18.75%	Half yearly	17,000	17,411
5 Year GoP ijarah sukuk	5 Year	2025	8.52%	Half yearly	59,000	57,773
5 Year GoP ijarah sukuk	5 Year	2025	8.15%	Half yearly	13,500	13,219
5 Year GoP ijarah sukuk	5 Year	2025	8.14%	Half yearly	25,000	24,480
5 Year GoP ijarah sukuk	5 Year	2025	12.29%	Half yearly	19,000	19,190
5 Year GoP ijarah sukuk	5 Year	2025	12.28%	Half yearly	25,000	25,250
5 Year GoP ijarah sukuk	5 Year	2025	12.19%	Half yearly	40,000	40,400
5 Year GoP ijarah sukuk	5 Year	2026	13.55%	Half yearly	25,000	25,498
5 Year GoP ijarah sukuk	5 Year	2026	13.68%	Half yearly	2,000	2,040
5 Year GoP ijarah sukuk	5 Year	2026	12.91%	Half yearly	16,900	17,236
5 Year GoP ijarah sukuk	5 Year	2026	12.44%	Half yearly	40,000	40,796
5 Year GoP ijarah sukuk	5 Year	2026	13.57%	Half yearly	10,000	10,235
5 Year GoP ijarah sukuk	5 Year	2026	12.36%	Half yearly	55,000	56,293
5 Year GoP ijarah sukuk	5 Year	2026	12.61%	Half yearly	90,000	91,935
5 Year GoP ijarah sukuk	5 Year	2027	13.93%	Half yearly	30,000	30,867
5 Year GoP ijarah sukuk	5 Year	2027	14.12%	Half yearly	20,000	20,578
5 Year GoP ijarah sukuk	5 Year	2027	14.12%	Half yearly	46,000	46,301
5 Year GoP ijarah sukuk	5 Year	2027	14.15%	Half yearly	68,000	69,965
5 Year GoP ijarah sukuk	5 Year	2027	13.96%	Half yearly	30,000	30,867
5 Year GoP ijarah sukuk	5 Year	2027	14.15%	Half yearly	4,000	4,116
5 Year GoP ijarah sukuk	5 Year	2027	13.28%	Half yearly	71,000	73,052
5 Year GoP ijarah sukuk	5 Year	2027	13.35%	Half yearly	12,000	12,347
5 Year GoP ijarah sukuk	5 Year	2027	13.35%	Half yearly	29,000	29,838
5 Year GoP ijarah sukuk	5 Year	2027	13.78%	Half yearly	50,000	51,445
5 Year GoP ijarah sukuk	3 Year	2027	12.80%	Half yearly	6,500	6,711
5 Year GoP ijarah sukuk	5 Year	2027	12.51%	Half yearly	10,000	10,289
5 Year GoP ijarah sukuk	5 Year	2027	12.02%	Half yearly	7,000	7,228
5 Year GoP ijarah sukuk	5 Year	2028	11.25%	Half yearly	70,000	72,827
Total Ijarah sukuks						1,267,402
Corporate sukuk						
Dubai Islamic Bank Ltd. sukuk	-	Perpetual	24.35%	Monthly	25,000	25,000
						1,292,402

6.2 Participants' Takaful Fund - Available-for-sale

	2025			2024		
	Cost	Impairment / provision	Carrying value	Cost	Impairment / provision	Carrying value
	(Rupees in '000) -----					
Fixed income securities						
Ijarah sukuk	2,936,592	-	2,936,592	2,906,980	-	2,906,980
Corporate sukuk	55,931	(8,931)	47,000	55,931	(8,931)	47,000
	2,992,523	(8,931)	2,983,592	2,962,911	(8,931)	2,953,980
(Deficit) / surplus on revaluation			(7,341)			30,957
			<u>2,976,251</u>			<u>2,984,937</u>

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2025
Ijarah sukuk					----- (Rupees in '000) -----	
5 Years GoP ijarah sukuk	5 Years	2026	10.29%	Half yearly	10,000	10,041
5 Years GoP ijarah sukuk	5 Years	2026	9.54%	Half yearly	45,700	45,887
5 Years GoP ijarah sukuk	5 Years	2026	9.91%	Half yearly	5,000	5,021
5 Years GoP ijarah sukuk	5 Years	2026	10.31%	Half yearly	34,000	34,129
5 Years GoP ijarah sukuk	5 Years	2026	10.30%	Half yearly	80,000	80,304
5 Years GoP ijarah sukuk	5 Years	2026	10.30%	Half yearly	4,000	4,015
5 Years GoP ijarah sukuk	5 Years	2026	10.75%	Half yearly	50,000	50,190
5 Years GoP ijarah sukuk	5 Years	2026	9.12%	Half yearly	125,000	125,475
5 Years GoP ijarah sukuk	5 Years	2026	9.47%	Half yearly	32,000	32,121
5 Years GoP ijarah sukuk	5 Years	2026	10.03%	Half yearly	500,000	501,900
5 Years GoP ijarah sukuk	5 Years	2026	10.00%	Half yearly	114,000	114,433
5 Years GoP ijarah sukuk	5 Years	2026	9.86%	Half yearly	385,300	386,764
5 Years GoP ijarah sukuk	5 Years	2026	10.79%	Half yearly	62,000	62,136
5 Years GoP ijarah sukuk	5 Years	2027	10.30%	Half yearly	10,000	10,070
5 Years GoP ijarah sukuk	5 Years	2027	10.58%	Half yearly	15,000	15,105
5 Years GoP ijarah sukuk	5 Years	2027	10.72%	Half yearly	77,000	77,539
5 Years GoP ijarah sukuk	5 Years	2027	10.87%	Half yearly	75,000	75,525
5 Years GoP ijarah sukuk	5 Years	2027	10.07%	Half yearly	60,000	60,420
5 Years GoP ijarah sukuk	5 Years	2027	10.87%	Half yearly	15,000	15,105
5 Years GoP ijarah sukuk	5 Years	2027	9.56%	Half yearly	18,000	18,126
5 Years GoP ijarah sukuk	5 Years	2027	9.74%	Half yearly	193,000	194,351
5 Years GoP ijarah sukuk	5 Years	2027	10.76%	Half yearly	36,000	36,302
5 Years GoP ijarah sukuk	5 Years	2027	10.87%	Half yearly	75,000	75,630
5 Years GoP ijarah sukuk	5 Years	2027	10.87%	Half yearly	24,000	24,202
5 Years GoP ijarah sukuk	5 Years	2027	10.87%	Half yearly	30,000	30,252
5 Years GoP ijarah sukuk	5 Years	2027	10.74%	Half yearly	94,000	94,790

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2025
					----- (Rupees in '000) -----	
5 Years GoP ijarah sukuk	5 Years	2027	10.03%	Half yearly	29,000	29,244
5 Years GoP ijarah sukuk	5 Years	2027	10.02%	Half yearly	25,000	25,210
5 Years GoP ijarah sukuk	5 Years	2027	10.03%	Half yearly	22,000	22,185
5 Years GoP ijarah sukuk	5 Years	2027	10.10%	Half yearly	110,000	110,924
5 Years GoP ijarah sukuk	5 Years	2027	10.09%	Half yearly	28,000	28,235
5 Years GoP ijarah sukuk	5 Years	2027	10.87%	Half yearly	50,000	50,420
5 Years GoP ijarah sukuk	5 Years	2027	10.51%	Half yearly	10,000	10,084
5 Years GoP ijarah sukuk	5 Years	2027	9.69%	Half yearly	45,000	45,378
5 Years GoP ijarah sukuk	5 Years	2027	9.11%	Half yearly	65,000	65,546
5 Years GoP ijarah sukuk	5 Years	2027	10.17%	Half yearly	140,000	141,176
5 Years GoP ijarah sukuk	5 Years	2027	9.95%	Half yearly	219,000	220,840

Total ijarah sukuk 2,929,075

Corporate sukuk						
Dubai Islamic Bank Ltd. sukuk	-	2032	11.86%	Half yearly	22,000	22,176
Dubai Islamic Bank Ltd. sukuk	-	Perpetual	12.82%	Monthly	25,000	25,000
Total corporate sukuk						47,176

2,976,251

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2024
Ijara sukuk					----- (Rupees in '000) -----	
5 Years GoP ijarah sukuk	5 Years	2025	13.21%	Half yearly	60,000	60,588
5 Years GoP ijarah sukuk	5 Years	2025	12.73%	Half yearly	106,500	107,544
5 Years GoP ijarah sukuk	5 Years	2025	12.73%	Half yearly	68,000	68,666
5 Years GoP ijarah sukuk	5 Years	2025	12.72%	Half yearly	70,000	70,686
5 Years GoP ijarah sukuk	5 Years	2025	12.73%	Half yearly	82,000	82,804
5 Years GoP ijarah sukuk	5 Years	2025	12.73%	Half yearly	18,000	18,176
5 Years GoP ijarah sukuk	5 Years	2025	12.79%	Half yearly	25,000	25,245
5 Years GoP ijarah sukuk	5 Years	2025	11.37%	Half yearly	15,000	15,159
5 Years GoP ijarah sukuk	5 Years	2025	11.37%	Half yearly	22,000	22,233
5 Years GoP ijarah sukuk	5 Years	2025	11.32%	Half yearly	15,000	15,159
5 Years GoP ijarah sukuk	5 Years	2025	18.77%	Half yearly	40,000	40,968
5 Years GoP ijarah sukuk	5 Years	2025	18.78%	Half yearly	6,000	6,145
5 Years GoP ijarah sukuk	5 Years	2025	18.67%	Half yearly	40,000	40,968
5 Years GoP ijarah sukuk	5 Years	2025	18.68%	Half yearly	7,000	7,169
5 Years GoP ijarah sukuk	5 Years	2025	18.68%	Half yearly	12,000	12,290
5 Years GoP ijarah sukuk	5 Years	2025	18.70%	Half yearly	10,000	10,242
5 Years GoP ijarah sukuk	5 Years	2025	18.70%	Half yearly	25,000	25,605
5 Years GoP ijarah sukuk	5 Years	2025	18.69%	Half yearly	15,000	15,363
5 Years GoP ijarah sukuk	5 Years	2025	18.69%	Half yearly	27,000	27,653
5 Years GoP ijarah sukuk	5 Years	2025	18.69%	Half yearly	32,000	32,774

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2024
----- (Rupees in '000) -----						
5 Years GoP ijarah sukuk	5 Years	2025	8.52%	Half yearly	41,000	40,147
5 Years GoP ijarah sukuk	5 Years	2025	8.22%	Half yearly	15,000	14,688
5 Years GoP ijarah sukuk	5 Years	2025	13.62%	Half yearly	17,000	17,141
5 Years GoP ijarah sukuk	5 Years	2025	12.80%	Half yearly	120,000	121,176
5 Years GoP ijarah sukuk	5 Years	2025	13.70%	Half yearly	25,000	25,208
5 Years GoP ijarah sukuk	5 Years	2025	13.55%	Half yearly	18,000	18,149
5 Years GoP ijarah sukuk	5 Years	2025	12.99%	Half yearly	38,000	38,315
5 Years GoP ijarah sukuk	5 Years	2025	13.03%	Half yearly	50,000	50,490
5 Years GoP ijarah sukuk	5 Years	2025	12.28%	Half yearly	15,000	15,150
5 Years GoP ijarah sukuk	5 Years	2025	12.28%	Half yearly	75,000	75,750
5 Years GoP ijarah sukuk	5 Years	2025	12.19%	Half yearly	20,000	20,200
5 Years GoP ijarah sukuk	5 Years	2025	12.18%	Half yearly	15,000	15,150
5 Years GoP ijarah sukuk	5 Years	2025	12.35%	Half yearly	120,000	121,200
5 Years GoP ijarah sukuk	5 Years	2025	12.23%	Half yearly	77,000	77,770
5 Years GoP ijarah sukuk	5 Years	2026	13.69%	Half yearly	10,000	10,199
5 Years GoP ijarah sukuk	5 Years	2026	13.58%	Half yearly	34,000	34,799
5 Years GoP ijarah sukuk	5 Years	2026	13.57%	Half yearly	80,000	81,880
5 Years GoP ijarah sukuk	5 Years	2026	13.57%	Half yearly	4,000	4,094
5 Years GoP ijarah sukuk	5 Years	2026	14.04%	Half yearly	50,000	51,175
5 Years GoP ijarah sukuk	5 Years	2026	12.61%	Half yearly	62,000	63,333
5 Years GoP ijarah sukuk	5 Years	2026	12.91%	Half yearly	45,700	46,609
5 Years GoP ijarah sukuk	5 Years	2026	12.36%	Half yearly	125,000	127,938
5 Years GoP ijarah sukuk	5 Years	2026	12.72%	Half yearly	32,000	32,752
5 Years GoP ijarah sukuk	5 Years	2027	13.56%	Half yearly	10,000	10,325
5 Years GoP ijarah sukuk	5 Years	2027	13.85%	Half yearly	15,000	15,488
5 Years GoP ijarah sukuk	5 Years	2027	14.00%	Half yearly	77,000	79,503
5 Years GoP ijarah sukuk	5 Years	2027	14.04%	Half yearly	36,000	37,040
5 Years GoP ijarah sukuk	5 Years	2027	14.15%	Half yearly	75,000	77,438
5 Years GoP ijarah sukuk	5 Years	2027	14.15%	Half yearly	75,000	77,168
5 Years GoP ijarah sukuk	5 Years	2027	14.15%	Half yearly	24,000	24,694
5 Years GoP ijarah sukuk	5 Years	2027	14.15%	Half yearly	30,000	30,867
5 Years GoP ijarah sukuk	5 Years	2027	14.02%	Half yearly	94,000	96,717
5 Years GoP ijarah sukuk	5 Years	2027	13.28%	Half yearly	22,000	22,636
5 Years GoP ijarah sukuk	5 Years	2027	13.28%	Half yearly	29,000	29,838
5 Years GoP ijarah sukuk	5 Years	2027	13.27%	Half yearly	25,000	25,723
5 Years GoP ijarah sukuk	5 Years	2027	13.35%	Half yearly	110,000	113,179
5 Years GoP ijarah sukuk	5 Years	2027	13.34%	Half yearly	28,000	28,809

Name of investments	Term	Maturity year	Effective yield %	Profit payment	Face value	2024
----- (Rupees in '000) -----						
5 Years GoP ijarah sukuk	5 Years	2027	14.15%	Half yearly	50,000	51,445
5 Years GoP ijarah sukuk	5 Years	2027	13.33%	Half yearly	60,000	61,950
5 Years GoP ijarah sukuk	5 Years	2027	13.78%	Half yearly	10,000	10,289
5 Years GoP ijarah sukuk	5 Years	2027	14.15%	Half yearly	15,000	15,488
5 Years GoP ijarah sukuk	5 Years	2027	12.80%	Half yearly	18,000	18,585
5 Years GoP ijarah sukuk	5 Years	2027	12.92%	Half yearly	45,000	46,301
5 Years GoP ijarah sukuk	5 Years	2027	12.51%	Half yearly	85,000	87,457
5 Years GoP ijarah sukuk	5 Years	2027	12.02%	Half yearly	163,000	168,247
Total ijarah sukuks						2,937,937
Corporate sukuks						
Dubai Islamic Bank Ltd. sukuk	-	Perpetual	18.56%	Monthly	25,000	25,000
Hub Power Company Ltd. sukuk	-	Perpetual	21.72%	Half yearly	22,000	22,000
Total corporate sukuks						47,000
						2,984,937

Operator's Fund		Participants' Takaful Fund	
2025	2024	2025	2024
----- (Rupees in '000) -----			

7 DEPOSITS AND OTHER RECEIVABLES

Security deposits	300	301	-	-
Other receivables	699	472	2,450	1,167
	999	773	2,450	1,167

8 TAKAFUL / RETAKAFUL RECEIVABLES

Due from takaful participants' holders	-	-	1,238,798	642,916
Due from other takaful / retakaful operators	13,870	15,081	26,407	16,100
	13,870	15,081	1,265,205	659,016

9 RECEIVABLE FROM PTF / (PAYABLE TO OPF)

Wakala fee	541,097	485,279	(541,097)	(485,279)
Modarib fee	15,221	20,514	(15,221)	(20,514)
	556,318	505,793	(556,318)	(505,793)

		Operator's Fund		Participants' Takaful Fund	
	Note	2025	2024	2025	2024
		(Rupees in '000)			
10	ACCRUED INVESTMENT INCOME				
	Government securities	33,965	27,936	54,810	68,579
	Debt securities	264	381	470	615
		<u>34,229</u>	<u>28,317</u>	<u>55,280</u>	<u>69,194</u>
11	PREPAYMENTS				
	Prepaid retakaful contribution ceded	-	-	925,789	624,597
	Prepaid vehicle insurance	111	-	-	-
	Prepaid charges for vehicle tracking devices	-	-	19,860	19,154
		<u>111</u>	<u>-</u>	<u>945,649</u>	<u>643,751</u>
12	CASH AND BANK				
	Cash and cash equivalents				
	Policy, revenue stamps and bond papers	-	-	9,236	5,837
	Cash at bank				
	Current accounts	682	31,503	1,187	1,795
	Saving accounts	241,039	121,133	586,226	305,841
		<u>241,721</u>	<u>152,636</u>	<u>587,413</u>	<u>307,636</u>
		<u>241,721</u>	<u>152,636</u>	<u>596,649</u>	<u>313,473</u>
12.1	The rate of profit on profit and loss sharing accounts from various banks were 9.00% to 10.00% per annum (2024: 10.00% to 16.00%) depending on the size of average deposits.				
12.2	Cash at bank includes Rs. 413 million (2024: Rs. 128 million) held with related parties.				
13	DEFERRED TAXATION			Operator's Fund	
				2025	2024
				(Rupees in '000)	
	Deferred debit arising in respect of:				
	Impairment on available-for-sale investments			3,483	3,483
	Accelerated tax depreciation			399	111
				<u>3,882</u>	<u>3,594</u>
	Deferred credit arising in respect of:				
	Unrealized gain / (loss) on available-for-sale investments			2,728	(4,543)
				<u>6,610</u>	<u>(949)</u>

		2025			
		Balance as at 01 January 2025	Recognized in profit and loss account	Recognized in other compre- hensive income	Balance as at 31 December 2025
		----- (Rupees in '000) -----			
Deductible / (taxable) temporary differences					
Accelerated tax depreciation		111	288	-	399
Impairment on available-for-sale investments		3,483	-	-	3,483
Unrealized gain on available-for-sale investments		(4,543)	-	7,271	2,728
		<u>(949)</u>	<u>288</u>	<u>7,271</u>	<u>6,610</u>
		2024			
		Balance as at 01 January 2024	Recognized in profit and loss account	Recognized in other compre- hensive income	Balance as at 31 December 2024
		----- (Rupees in '000) -----			
Deductible / (taxable) temporary differences					
Accelerated tax depreciation		(9)	120	-	111
Impairment on available-for-sale investments		3,483	-	-	3,483
Unrealized loss on available-for-sale investments		5,167	-	(9,710)	(4,543)
		<u>8,641</u>	<u>120</u>	<u>(9,710)</u>	<u>(949)</u>
		Operator's Fund		Participants' Takaful Fund	
		2025	2024	2025	2024
		----- (Rupees in '000) -----			
14 TAKAFUL / RETAKAFUL PAYABLES					
Cotakaful payable		263	160	185,923	169,175
Retakaful payable		-	-	750,366	375,673
		<u>263</u>	<u>160</u>	<u>936,289</u>	<u>544,848</u>

14.1 The Operator has cotakaful and retakaful arrangements with various takaful operators and a domestic retakaful company. Under the above arrangements, the receivable and payable balances originate mainly due to contributions collected or claims settled by the lead operators on behalf of other co-operators, and in case of retakaful, the premium ceded to and claims recoverable from the retakaful operator under the respective contracts. As per the prevailing industry practices, settlements of balances under cotakaful arrangements are done between the respective takaful operators in normal course of business.

The Operator believes that the current balances of cotakaful and retakaful reflected in the records of the Operator are based on the underlying contracts and transactions supported by appropriate evidence.

In this regard, the Operator exchanged balance information with various cotakaful based on significance of the balances and the retakaful. This information corroborates the balance position of the Operator in all material respects.

15	REVALUATION RESERVE	Operator's Fund		Participants' Takaful Fund	
		2025	2024	2025	2024
		----- (Rupees in '000) -----			
	Debt securities	(6,995)	11,648	(7,341)	30,957
	Related deferred tax	2,728	(4,543)	-	-
		<u>(4,267)</u>	<u>7,105</u>	<u>(7,341)</u>	<u>30,957</u>
16	OTHER CREDITORS AND ACCRUALS				
		2025	2024	2025	2024
	Agent commission payable	195,541	133,212	-	-
	Workers' welfare fund	47,898	35,475	-	-
	Accrued expenses	15,142	15,032	-	-
	Sales tax payable	1,893	2,643	48,734	34,340
	Retirement benefit obligations	639	486	-	-
	Other creditors	310	337	9,772	17,012
	Federal insurance fee payable	-	-	5,031	2,697
		<u>261,423</u>	<u>187,185</u>	<u>63,537</u>	<u>54,049</u>
17	CONTINGENCIES AND COMMITMENTS				
		2025	2024	2025	2024
		----- (Rupees in '000) -----			
	There are no contingencies and commitments as at 31 December 2025 (2024: Nil).				
18	NET CONTRIBUTION REVENUE				
		2025	2024	2025	2024
		----- (Rupees in '000) -----			
	Written gross contribution	4,417,946	3,358,201		
	Less: Wakala fee	<u>(1,574,277)</u>	<u>(1,199,497)</u>		
	Contribution net of wakala fee	2,843,669	2,158,704		
	Add: Unearned contribution reserve - opening	1,072,185	931,169		
	Less: Unearned contribution reserve - closing	<u>(1,555,329)</u>	<u>(1,072,185)</u>		
	Contribution earned	2,360,525	2,017,688		
	Less:				
	Retakaful contribution ceded	1,880,576	1,398,093		
	Add: Prepaid retakaful contribution - opening	624,597	530,772		
	Less: Prepaid retakaful contribution - closing	<u>(925,789)</u>	<u>(624,597)</u>		
	Retakaful expense	<u>1,579,384</u>	<u>1,304,268</u>		
		<u>781,141</u>	<u>713,420</u>		
19	RETAKAFUL REBATE EARNED				
		2025	2024	2025	2024
	Retakaful rebate / commission received	341,831	270,108		
	Add: Unearned retakaful rebate / commission - opening	120,740	104,374		
	Less: Unearned retakaful rebate / commission - closing	<u>(170,288)</u>	<u>(120,740)</u>		
		<u>292,283</u>	<u>253,742</u>		

20	TAKAFUL BENEFITS / CLAIMS EXPENSE	2025	2024
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
	Benefits / claims paid	1,839,584	1,293,708
	Less: Outstanding benefits / claims including IBNR - opening	<u>(1,103,705)</u>	<u>(1,328,717)</u>
	Add: Outstanding benefits / claims including IBNR - closing	1,125,191	1,103,705
	Claims expense	<u>1,861,070</u>	<u>1,068,696</u>
	Less:		
	Retakaful and other recoveries received	745,838	431,334
	Less: Retakaful and other recoveries in respect of outstanding claims - opening	<u>(665,806)</u>	<u>(826,919)</u>
	Add: Retakaful and other recoveries in respect of outstanding claims - closing	534,064	665,806
	Retakaful and other recoveries revenue	<u>614,096</u>	<u>270,221</u>
		<u>1,246,974</u>	<u>798,475</u>

20.1 Benefit / claim development

The Operator maintains adequate reserves in respect of its takaful 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 retakaful.

Accident year	2021 and prior	2022	2023	2024	2025 (Including IBNR)	Total
	----- (Rupees in '000) -----					
Estimate of ultimate claims costs:						
– At end of accident year	4,370,742	1,426,815	2,182,795	1,412,689	2,103,704	11,496,745
– One year later	4,328,833	1,251,078	1,986,116	1,144,629	-	8,710,656
– Two years later	4,305,910	1,380,161	1,818,143	-	-	7,504,214
– Three years later	4,291,922	1,407,560	-	-	-	5,699,482
– Four years later	4,232,678	-	-	-	-	4,232,678
Current estimate of cumulative claims	4,232,678	1,407,560	1,818,143	1,144,629	2,103,704	10,706,714
Cumulative payments to date	<u>(4,231,158)</u>	<u>(1,393,062)</u>	<u>(1,721,886)</u>	<u>(1,067,278)</u>	<u>(1,168,139)</u>	<u>(9,581,523)</u>
Liability recognized in statement of financial position	<u>1,520</u>	<u>14,498</u>	<u>96,257</u>	<u>77,351</u>	<u>935,565</u>	<u>1,125,191</u>

20.2 The provision for IBNR on the basis of actuarial valuation carried out as at 31 December 2025 amounted to Rs. 55.46 million (2024: Rs. 57.84 million).

21	COMMISSION EXPENSE	2025	2024
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
	Commission paid or payable	436,866	379,764
	Add: Deferred commission expense - opening	188,109	163,567
	Less: Deferred commission expense - closing	<u>(240,135)</u>	<u>(188,109)</u>
		<u>384,840</u>	<u>355,222</u>

22	GENERAL, ADMINISTRATIVE AND MANAGEMENT EXPENSES	Note	2025	2024
			----- (Rupees in '000) -----	
	Salaries, wages and benefits	22.1	404,144	332,110
	Bonus		33,938	26,126
	Depreciation	22.2	32,060	25,332
	Traveling, club and entertainment		23,545	16,994
	Gas, electricity and fuel expenses		14,187	15,635
	Rent, rates and taxes		18,468	15,249
	Annual supervision fee - SECP		7,069	14,977
	Sundries		8,068	9,254
	Printing and stationery		6,431	5,864
	Gratuity		6,515	4,699
	Telephone		3,100	3,005
	Postage & telegrams		2,541	2,552
	Conveyance expenses		3,078	1,939
	Insurance expenses		611	315
	Bank charges and commission		48	7
			<u>563,803</u>	<u>474,058</u>
22.1	This includes Rs. 0.54 million (2024: Rs. 0.38 million) contribution for employees' provident fund.			
22.2	Depreciation	Note	2025	2024
			----- (Rupees in '000) -----	
	Depreciation charged during the year	5.1	1,737	1,805
	Depreciation allocated against common assets		<u>30,323</u>	<u>23,527</u>
			<u>32,060</u>	<u>25,332</u>
22.3	All common expenses between the Company and Operators' fund are proportionately allocated.			
23	INVESTMENT INCOME		2025	2024
			----- (Rupees in '000) -----	
23.1	Operator's Fund			
	Income from debt securities - available-for-sale			
	- Return on debt securities (Sukuks)		169,762	208,493
	- Return on term deposits		-	436
	Net realized losses on available-for-sale investments		-	(210)
			<u>169,762</u>	<u>208,719</u>
23.2	Participants' Takaful Fund			
	Income from debt securities - available-for-sale			
	- Return on debt securities (Sukuks)		332,790	483,408
	- Return on term deposits		-	2,190
	Net realized (losses) / gain on available for sale investments		<u>(6,439)</u>	<u>10,896</u>
			<u>326,351</u>	<u>496,494</u>

24	OTHER INCOME	2025	2024
		----- (Rupees in '000) -----	
24.1	Operator's Fund		
	Profit on bank deposits	14,566	11,640
	Gain on disposal of property and equipment	-	1,805
		<u>14,566</u>	<u>13,445</u>
24.2	Participants' Takaful Fund		
	Exchange difference	(27)	-
	Profit on bank deposits	<u>33,706</u>	<u>40,949</u>
		<u>33,679</u>	<u>40,949</u>

25 MODARIB FEE

The Operator manages the participants' investments as a Modarib and charges 25% (2024: 25%) Modarib's share of the investment income (including profit on bank balances) earned by the PTF.

26	DIRECT EXPENSES - OPF	Note	2025	2024
			----- (Rupees in '000) -----	
	Workers' welfare fund		12,423	13,357
	Auditor's remuneration	26.1	2,461	1,336
	Subscription to association		55	-
			<u>14,939</u>	<u>14,693</u>
26.1	Auditor's remuneration			
	Audit fee			
	Shariah compliance audit fee		1,730	915
	Out of pocket expenses		500	312
			<u>231</u>	<u>109</u>
			<u>2,461</u>	<u>1,336</u>
27	TAXATION			
	For current year			
	Current		176,815	190,035
	Deferred		(289)	(120)
	Super tax		<u>60,971</u>	<u>65,529</u>
			<u>237,497</u>	<u>255,444</u>

27.1 Relationship between tax expense and accounting profit

	2025	2024	2025	2024
Effective tax rate (%)	----- (Rupees in '000) -----			
Profit before taxation			<u>608,722</u>	<u>654,501</u>
Tax at the applicable rate	29	29	176,529	189,805
Tax effects of deduction not allowed	-	-	(3)	110
Average effective tax charged on income	29	29	176,526	189,915
Effect of super tax	10	10	60,971	65,529
	<u>39</u>	<u>39</u>	<u>237,497</u>	<u>255,444</u>

28 COMPENSATION OF HEAD OF WINDOW TAKAFUL OPERATIONS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including all benefits, to the head of window takaful operations and executives of the Operator are as follows:

	2025			2024		
	Head of WTO	Executives	Total	Head of WTO	Executives	Total
	(Rupees in '000)					
Managerial remuneration	5,262	10,404	15,666	450	6,972	7,422
Leave encashment	439	217	656	-	385	385
Bonus	812	1,328	2,140	-	1,003	1,003
Retirement benefits	325	681	1,006	-	401	401
Utilities	219	544	763	114	373	487
Medical expenses	78	246	324	-	85	85
Total	7,135	13,420	20,555	564	9,219	9,783
Number of persons	1	6	7	1	2	3

29 RELATED PARTY TRANSACTIONS

Related parties comprise of directors, major shareholders, key management personnel, associated companies, and entities with common directors and employee retirement benefit funds. The transactions with related parties are carried out at commercial terms and conditions except for compensation to key management personnel which are on employment terms. The transactions and balances with related parties during the year other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2025	2024
	(Rupees in '000)	
Transactions		
Subsidiary company		
Contributions paid / (refund)	358	(28)
Associated companies		
Contributions received	26,722	24,905
Contributions paid	-	159
Claims paid including salvage recovered	8,431	4,766
Profit received on bank deposits	27,024	5,406
Key management personnel		
Contributions received	74	48
Others		
Contributions received	71	290
Contributions paid	9	-
Employees' funds		
Contribution to gratuity fund	639	488
Contribution to provident fund	540	378

Balances

	2025	2024
	(Rupees in '000)	
Balances receivable	583	574
Bank balances	412,872	128,499
Employees' gratuity fund payable	639	485

30 MOVEMENT IN INVESTMENTS

30.1 Operator's fund

Name of Investment	Available-for-sale debt securities	Held-to-maturity term deposit	Total
	(Rupees in '000)		
At beginning of previous year	957,785	-	957,785
Additions	417,522	30,000	447,522
Disposals - (sale and redemptions)	(108,012)	(30,000)	(138,012)
Fair value net losses (excluding net realized gains / (losses))	25,107	-	25,107
At beginning of current year	1,292,402	-	1,292,402
Additions	1,151,416	-	1,151,416
Disposals - (sale and redemptions)	(563,459)	-	(563,459)
Fair value net gains (excluding net realized gains / (losses))	(18,644)	-	(18,644)
At end of the current year	1,861,715	-	1,861,715

30.2 Participants' Takaful Fund

Name of Investment	Available-for-sale debt securities	Held-to-maturity term deposit	Total
	(Rupees in '000)		
At beginning of previous year	2,267,359	-	2,267,359
Additions	927,522	147,500	1,075,022
Disposals - (sale and redemptions)	(234,032)	(147,500)	(381,532)
Fair value net losses (excluding net realized gains / (losses))	24,088	-	24,088
At beginning of current year	2,984,937	-	2,984,937
Additions	1,801,847	-	1,801,847
Disposals - (sale and redemptions)	(1,772,235)	-	(1,772,235)
Fair value net gains (excluding net realized gains / (losses))	(38,298)	-	(38,298)
At end of the current year	2,976,251	-	2,976,251

31 MANAGEMENT OF TAKAFUL AND FINANCIAL RISK

31.1 Takaful risk

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

The Operator manages these risks through its underwriting strategy, adequate retakaful arrangements and proactive claims handling. The underwriting strategy aims to minimize takaful risks with a balanced mix and spread of business classes and by observing underwriting guidelines and limits. The Operator underwrites non-life takaful contracts that can be categorized into fire and property damage, marine, aviation and transport, motor and miscellaneous contracts. These classes of takaful are generally regarded as short-term takaful contracts where claims are normally intimated and settled within a short time span, usually one year. This helps to mitigate takaful risk.

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

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

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

31.1.1 Frequency and severity of claims

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

The Operator monitors concentration of takaful risks primarily by class of business. The table below sets out the concentration of the claims and contribution liabilities (in percentage terms) by class of business at financial statement date:

Class	2025			
	Gross Claims Liabilities	Net Claims Liabilities	Gross Contribution Liabilities	Gross Contribution Liabilities
	%	%	%	%
– Fire and property damage	18	2	38	9
– Marine, aviation and transport	4	1	3	1
– Motor	50	85	54	87
– Miscellaneous	28	12	5	3
	100	100	100	100

Class	2025			
	Gross Claims Liabilities	Net Claims Liabilities	Gross Contribution Liabilities	Gross Contribution Liabilities
	%	%	%	%
– Fire and property damage	49	3	33	4
– Marine, aviation and transport	3	2	3	1
– Motor	35	88	57	91
– Miscellaneous	13	7	7	4
	100	100	100	100

The Operator also monitors concentration of risk by evaluating multiple risks covered in the same geographical location. For fire and property risk a particular building and neighboring buildings, which could be affected by a single claim incident, are considered as a single location. For earthquake risk, a complete city is classified as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk. The Operator evaluates the concentration of exposures to individual and cumulative takaful risks and establishes its retakaful policy to reduce such exposures to levels acceptable to the Operator.

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

Class	2025	2024
	(Rupees in '000)	
– Fire and property damage	43,002,000	41,438,000
– Marine, aviation and transport	1,824,495	1,082,000
– Motor	78,000	75,000
– Miscellaneous	8,528,000	3,900,000

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

31.1.2 Sources of uncertainty in estimation of future claim payments

The key source of estimation uncertainty at the financial statement date relates to valuation of outstanding claims whether reported or not and includes expected claims settlement costs. Considerable judgment by management is required in the estimation of amounts due to contract holders arising from claims made under takaful contracts. Such estimates are necessarily based on assumptions about several factors involving varying and possibly significant degrees of judgment and uncertainty and actual results may differ from management's estimates resulting in future changes in estimated liabilities. Qualitative judgments are used to assess the extent to which past trends may not apply in the future for example one-off occurrence changes in market factors such as public attitude to claiming and economic conditions. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

In particular estimates have to be made both for the expected ultimate cost of claims reported at the financial statement date and for the expected ultimate cost of claims incurred but not reported (IBNR) at the financial statement date. The details of estimation of outstanding claims (including IBNR) are given under note 3.10.1.

31.1.3 Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The nature of the business makes it very difficult to predict

with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate case by case basis with due regard to claim circumstances information available from surveyors and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information is available.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Operator in which case information about the claim event is available. The Operator has taken actuarial advice for the determination of IBNR claims which has been estimated using Chain Ladder (CL) methodology. The Chain Ladder (CL) Method involves determination of development factors or link ratios for each period. These are then subsequently combined to determine Cumulative Development Factor (CDF) which represents the extent of future development of claims to reach their ultimate level.

The contribution liabilities have been determined such that the total contribution liability provisions (unearned contribution reserve and contribution deficiency reserve) would be sufficient to service the future expected claims and expenses likely to occur on the unexpired policies as of financial statement date. The expected future liability is determined using estimates and assumptions based on the experience during the expired period of the contracts and expectations of future events that are believed to be reasonable.

31.1.4 Sensitivity analysis

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

	2025		2024	
	Revenue	Equity	Revenue	Equity
	(Rupees in '000)			
Impact of change in claim liabilities by + 10 %				
– Fire and property damage	(1,326)	(1,326)	(1,149)	(1,149)
– Marine, aviation and transport	(876)	(876)	(681)	(681)
– Motor	(50,319)	(50,319)	(38,859)	(38,859)
– Miscellaneous	(6,592)	(6,592)	(3,102)	(3,102)
	(59,113)	(59,113)	(43,791)	(43,791)
Impact of change in claim liabilities by - 10 %				
– Fire and property damage	1,326	1,326	1,149	1,149
– Marine, aviation and transport	876	876	681	681
– Motor	50,319	50,319	38,859	38,859
– Miscellaneous	6,592	6,592	3,102	3,102
	59,113	59,113	43,791	43,791

31.2 Financial risk

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

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

31.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise of profit rate risk, foreign currency risk and other price risk. The Operator manages the market risk exposures by following internal risk management policies

31.2.2 Foreign currency risk

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

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

31.2.3 Other price risk

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

31.2.4 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The management monitors exposure to credit risk through regular review of credit exposure, undertaking transactions with a large number of counter parties and various industries and by continually assessing the credit worthiness of counter parties. Concentration of credit risk arises when a number of counter parties have similar types of business activities. As a result, any change in economic, political or other conditions would affect their ability to meet contractual obligations in a similar manner. Due to nature of financial assets, the operator believes it is not exposed to any major concentration of credit risk.

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

Financial assets:	Operator's Fund		Participants' Takaful Fund	
	2025	2024	2025	2024
	(Rupees in '000)			
Debt securities	1,861,715	1,292,402	2,976,251	2,984,937
Cash at bank	241,721	152,636	587,413	307,636
Accrued investment income	34,229	28,317	55,280	69,194
Takaful / retakaful receivables	13,870	15,081	1,265,205	659,016
Deposits and other receivables	999	773	2,450	1,167
Retakaful recoveries against outstanding claims / benefits	-	-	534,064	665,806
	2,152,534	1,489,209	5,420,663	4,687,756

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

Name of bank	Rating agency	Long term rating	Short term rating	Operator's Fund	
				2025	2024
BankIslami Pakistan Ltd.	PACRA	AA-	A1	123,789	39,509
Albaraka Bank (Pakistan) Limited	VIS	AA-	A1	40,618	20,135
Meezan Bank Limited	VIS	AAA	A1+	25,849	24,269
Dubai Islamic Bank Pakistan Ltd	VIS	AA	A1+	23,307	60,986
Habib Metropolitan Bank Islamic Banking	PACRA	AA+	A1+	17,238	7,733
Faysal Bank Barkat Islamic Banking	PACRA/VIS	AA/AA+	A1+/A1+	9,135	4
NBP Aitemad Islamic Banking	PACRA/VIS	AAA/AAA	A1+/A1+	1,785	-
				241,721	152,636

Name of bank	Rating agency	Long term rating	Short term rating	Participants' Takaful Fund	
				2025	2024
BankIslami Pakistan Ltd.	PACRA	AA-	A1	289,083	88,990
Albaraka Bank (Pakistan) Limited	VIS	AA-	A1	92,527	47,658
Faysal Bank Barkat Islamic Banking	PACRA/VIS	AA/AA+	A1+/A1+	57,468	16,535
Dubai Islamic Bank Pakistan Ltd	VIS	AA	A1+	48,324	97,248
Meezan Bank Limited	VIS	AAA	A1+	42,602	32,884
Habib Metropolitan Bank Islamic Banking	PACRA	AA+	A1+	39,532	21,919
Habib Bank Limited Islamic Banking	VIS	AAA	A1+	16,190	107
Bank of Punjab	PACRA	AA+	A1+	1,109	729
UBL Ameen Islamic Banking	VIS	AAA	A1+	570	1,564
NBP Aitemad Islamic Banking	PACRA/VIS	AAA/AAA	A1+/A1+	8	-
MCB Islamic Banking	PACRA	A+	A1	-	2
				587,413	307,636

The operator monitors exposure to credit risk in contribution receivable from customers through regular review of credit exposure and prudent estimates of provisions for doubtful receivables. The credit quality of claim recoveries from retakaful operators can be assessed with reference to external credit ratings as follows:

a. Operator's Fund	2025	2024
	Amounts due from takaful / retakaful	Amounts due from takaful / retakaful
	(Rupees in '000)	
A or above	13,861	14,402
Un rated	9	679
	13,870	15,081

		2025	2024		
		Amounts due from takaful / retakaful	Retakaful recoveries against outstanding claims	Amounts due from takaful / retakaful	Retakaful recoveries against outstanding claims
		(Rupees in '000)			
b.	Participants' Takaful Fund				
	A or above	26,407	510,992	16,100	652,331
	B or above (including Pakistan Reinsurance Company Ltd Window Takaful)	-	23,072	-	13,475
	B or above	26,407	534,064	16,100	665,806

As at 31 December 2025, the amount due from takaful / retakaful operator includes amount receivable within one year amounting to Rs. 40 million (2024: 31 million).

31.2.5 Liquidity Risk

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

The objective of the Operator's liquidity management process is to ensure, as far as possible, that it will always have sufficient liquidity to meet its claim and other liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Operator's reputation. It includes measuring and monitoring the future cash flows on daily, monthly and quarterly basis, maintaining sufficient cash reserves in bank accounts and a portfolio of highly marketable financial assets that can be easily liquidated in the event of an unforeseen interruption to cash flows.

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

Financial liabilities:	Operator's Fund - 2025		
	Carrying amount	Up to one year	Greater than one year
	(Rupees in '000)		
Takaful / retakaful payables	263	263	-
Other creditors and accruals	261,423	261,423	-
	261,686	261,686	-

Financial liabilities:

Outstanding claims / benefits including IBNR
Takaful / retakaful payables
Other creditors and accruals

Participants' Takaful Fund - 2025		
Carrying amount	Up to one year	Greater than one year
(Rupees in '000)		
1,125,191	1,125,191	-
936,289	936,289	-
63,537	63,537	-
2,125,017	2,125,017	-

Financial liabilities:

Takaful / retakaful payables
Other creditors and accruals

Operator's Fund - 2024		
Carrying amount	Up to one year	Greater than one year
(Rupees in '000)		
160	160	-
187,185	187,185	-
187,345	187,345	-

Financial liabilities:

Outstanding claims / benefits including IBNR
Takaful / retakaful payables
Other creditors and accruals

Participants' Takaful Fund - 2024		
Carrying amount	Up to one year	Greater than one year
(Rupees in '000)		
1,103,705	1,328,717	-
544,848	315,229	-
54,049	54,049	-
1,702,602	1,697,995	-

31.2.6 Profit rate risk

Profit rate sensitivity measures the degree with which a fixed-income asset price moves with changes in profit rates. Profit rates and fixed-income asset prices are inversely correlated. More interest rate sensitivity means an asset's price fluctuates more with a change in profit rates.

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

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

An increase in 100 basis points in profit yield would result in a loss of Rs. 24.10 million (2024: 12.1 million).

A decrease in 100 basis points in profit yield would result in a gain of Rs. 24.10 million (2024: 12.1 million).

31.2.7 Maturity profile of financial assets and liabilities:

Financial asset:

Investments debt securities
Deposits and other receivables
Accrued investment income
Takaful / retakaful receivables
Cash and bank

Financial liabilities:

Takaful / retakaful payables
Other creditors and accruals

Profit risk sensitivity gap

Operator's Fund - 2025						
Profit / Markup Bearing			Non Profit / Non Markup Bearing			
Maturing up to one year	Maturing after one year	Sub total	Maturing up to one year	Maturing after one year	Sub total	Total
(Rupees in '000)						
488,649	1,373,066	1,861,715	-	-	-	1,861,715
-	-	-	999	-	999	999
-	-	-	34,229	-	34,229	34,229
-	-	-	13,870	-	13,870	13,870
241,039	-	241,039	682	-	682	241,721
729,688	1,373,066	2,102,754	49,780	-	49,780	2,152,534
-	-	-	263	-	263	263
-	-	-	261,423	-	261,423	261,423
-	-	-	261,686	-	261,686	261,686
729,688	1,373,066	2,102,754	(211,906)	-	(211,906)	1,890,848

Financial asset:

Investments debt securities
Deposits and other receivables
Accrued investment income
Takaful / retakaful receivables
Cash and bank

Financial liabilities

Takaful / retakaful payables
Other creditors and accruals

Profit risk sensitivity gap

Operator's Fund - 2024						
Profit / Markup Bearing			Non Profit / Non Markup Bearing			
Maturing up to one year	Maturing after one year	Sub total	Maturing up to one year	Maturing after one year	Sub total	Total
(Rupees in '000)						
556,938	735,464	1,292,402	-	-	-	1,292,402
-	-	-	773	-	773	773
-	-	-	28,317	-	28,317	28,317
-	-	-	15,081	-	15,081	15,081
121,133	-	121,133	31,503	-	31,503	152,636
678,071	735,464	1,413,535	75,674	-	75,674	1,489,209
-	-	-	160	-	160	160
-	-	-	187,185	-	187,185	187,185
-	-	-	187,345	-	187,345	187,345
678,071	735,464	1,413,535	(111,671)	-	(111,671)	1,301,864

	Participants' Takaful Fund - 2025						
	Profit / Markup Bearing			Non Profit / Non Markup Bearing			
	Maturing up to one year	Maturing after one year	Sub total	Maturing up to one year	Maturing after one year	Sub total	Total
	(Rupees in '000)						
Financial asset:							
Investments Debt securities	1,452,416	1,523,835	2,976,251	-	-	-	2,976,251
Deposits and other receivables	-	-	-	2,450	-	2,450	2,450
Accrued investment income	-	-	-	55,280	-	55,280	55,280
Retakful recoveries against outstanding claims / benefits	-	-	-	534,064	-	534,064	534,064
Takaful / retakaful receivables	-	-	-	1,265,205	-	1,265,205	1,265,205
Cash and bank	586,226	-	586,226	1,187	-	1,187	587,413
	2,038,642	1,523,835	3,562,477	1,858,186	-	1,858,186	5,420,663
Financial liabilities:							
Outstanding claims/ benefits including IBNR	-	-	-	1,125,191	-	1,125,191	1,125,191
Takaful / retakaful payables	-	-	-	936,289	-	936,289	936,289
Other creditors and accruals	-	-	-	63,537	-	63,537	63,537
	-	-	-	2,125,017	-	2,125,017	2,125,017
Profit risk sensitivity gap	2,038,642	1,523,835	3,562,477	(266,831)	-	(266,831)	3,295,646

	Participants' Takaful Fund - 2024						
	Profit / Markup Bearing			Non Profit / Non Markup Bearing			
	Maturing up to one year	Maturing after one year	Sub total	Maturing up to one year	Maturing after one year	Sub total	Total
	(Rupees in '000)						
Financial asset:							
Investments Debt securities	1,355,971	1,628,966	2,984,937	-	-	-	2,984,937
Deposits and other receivables	-	-	-	1,167	-	1,167	1,167
Accrued investment income	-	-	-	69,194	-	69,194	69,194
Retakful recoveries against outstanding claims / benefits	-	-	-	665,806	-	665,806	665,806
Takaful / retakaful receivables	-	-	-	659,016	-	659,016	659,016
Cash and bank	305,841	-	305,841	1,795	-	1,795	307,636
	1,661,812	1,628,966	3,290,778	1,396,978	-	1,396,978	4,687,756
Financial liabilities:							
Outstanding claims/ benefits including IBNR	-	-	-	1,103,705	-	1,103,705	1,103,705
Takaful / retakaful payables	-	-	-	544,848	-	544,848	544,848
Other creditors and accruals	-	-	-	54,049	-	54,049	54,049
	-	-	-	1,702,602	-	1,702,602	1,702,602
Profit risk sensitivity gap	1,661,812	1,628,966	3,290,778	(305,624)	-	(305,624)	2,985,154

32 FAIR VALUE MEASUREMENT

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized.

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

The Operator measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Following are the assets where fair value is only disclosed and is different from their carrying value:

	Operator's Fund - 2025							
	Carrying value					Fair value		
	Available- for-sale	Loan and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
Ijara Sukuks	1,836,715	-	-	-	1,836,715	-	1,836,715	-
Corporate Sukuks	25,000	-	-	-	25,000	-	25,000	-
	1,861,715	-	-	-	1,861,715			
Financial assets not measured at fair value								
Cash at bank*	-	-	241,721	-	241,721			
Accrued investment income*	-	34,229	-	-	34,229			
Takaful / retakaful receivables*	-	13,870	-	-	13,870			
Deposits and other receivables*	-	999	-	-	999			
	-	49,098	241,721	-	290,819			
Total financial assets	1,861,715	49,098	241,721	-	2,152,534			
Financial liabilities not measured at fair value								
Takaful / Retakaful payables*	-	-	-	(263)	(263)			
Other creditors and accruals*	-	-	-	(261,423)	(261,423)			
Total financial liabilities	-	-	-	(261,686)	(261,686)			

	Operator's Fund - 2024							
	Carrying value					Fair value		
	Available- for-sale	Loan and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
Ijara sukuks	1,267,402	-	-	-	1,267,402	-	1,267,402	-
Corporate sukuks	25,000	-	-	-	25,000	-	25,000	-
	1,292,402	-	-	-	1,292,402			
Financial assets not measured at fair value								
Cash at bank*	-	-	152,636	-	152,636			
Accrued investment income*	-	28,317	-	-	28,317			
Takaful / retakaful receivables*	-	15,081	-	-	15,081			
Deposits and other receivables*	-	773	-	-	773			
	-	44,171	152,636	-	196,807			
Total financial assets	1,292,402	44,171	152,636	-	1,489,209			
Financial liabilities not measured at fair value								
Takaful / Retakaful payables*	-	-	-	(160)	(160)			
Other creditors and accruals*	-	-	-	(187,185)	(187,185)			
	-	-	-					
Total financial liabilities	-	-	-	(187,345)	(187,345)			

*The Operator has not disclosed fair values of the above mentioned financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

	Participants' Takaful Fund - 2025							
	Carrying value					Fair value		
	Available- for-sale	Loan and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
Ijara sukuks	2,929,075	-	-	-	2,929,075	-	2,929,075	-
Corporate sukuks	47,176	-	-	-	47,176	-	47,176	-
	2,976,251	-	-	-	2,976,251			
Financial assets not measured at fair value								
Retakaful recoveries against outstanding claims / benefits*	-	534,064	-	-	534,064			
Takaful / retakaful receivables*	-	1,265,205	-	-	1,265,205			
Cash at bank*	-	-	587,413	-	587,413			
Accrued investment income*	-	55,280	-	-	55,280			
Deposits and other receivables*	-	2,450	-	-	2,450			
	-	1,856,999	587,413	-	2,444,412			
Total financial assets	2,976,251	1,856,999	587,413	-	5,420,663			
Financial liabilities not measured at fair value								
Outstanding claims / benefits including IBNR*	-	-	-	(1,125,191)	(1,125,191)			
Takaful / retakaful payable*	-	-	-	(936,289)	(936,289)			
Other creditors and accruals*	-	-	-	(63,537)	(63,537)			
	-	-	-					
Total financial liabilities	-	-	-	(2,125,017)	(2,125,017)			

	2024							
	Carrying value					Fair value		
	Available- for-sale	Loan and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in '000)							
Financial assets measured at fair value								
Investments								
Ijara sukuks	2,937,937	-	-	-	2,937,937	-	2,937,937	-
Corporate sukuks	47,000	-	-	-	47,000	-	47,000	-
	2,984,937	-	-	-	2,984,937			
Financial assets not measured at fair value								
Retakaful recoveries against outstanding claims / benefits*	-	665,806	-	-	665,806			
Takaful / retakaful receivables*	-	659,016	-	-	659,016			
Cash at bank*	-	-	307,636	-	307,636			
Accrued investment income*	-	69,194	-	-	69,194			
Deposits and other receivables*	-	1,167	-	-	1,167			
	-	1,395,183	307,636	-	1,702,819			
Total financial assets	2,984,937	1,395,183	307,636	-	4,687,756			
Financial liabilities not measured at fair value								
Outstanding claims including IBNR*	-	-	-	(1,103,705)	(1,103,705)			
Takaful / retakaful payable*	-	-	-	(544,848)	(544,848)			
Other creditors and accruals*	-	-	-	(54,049)	(54,049)			
	-	-	-					
Total financial liabilities	-	-	-	(1,702,602)	(1,702,602)			

*The Operator has not disclosed fair values of the above mentioned financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

33 SEGMENT INFORMATION

Following segment information prepared in accordance with the requirements of the Insurance Ordinance,2000 & General Takaful Accounting Regulation, 2019 for class wise revenues, results, assets and liabilities:

33.1 Operator's Fund

	2025					
	Fire and property damage	Marine, aviation and transport	Motor	Miscella- neous	Treaty	Total
	(Rupees in '000)					
Current year						
Wakala fee	417,171	94,607	698,383	87,801	-	1,297,962
Commission expense	(136,265)	(41,179)	(194,097)	(13,299)	-	(384,840)
General, administrative & management expenses	(39,583)	(19,827)	(479,837)	(24,556)	-	(563,803)
Net commission and expenses	(175,848)	(61,006)	(673,934)	(37,855)	-	(948,643)
	241,323	33,601	24,449	49,946	-	349,319
Modarib's share on PTF investment income						90,014
Investment income						169,762
Direct expenses						(14,939)
Other income						14,566
Profit before taxation						608,722
Taxation						(237,497)
Profit after taxation						371,225

	2025					
	Fire and property damage	Marine, aviation and transport	Motor	Miscella- neous	Treaty	Total
	(Rupees in '000)					
Corporate segment assets	356,882	34,191	382,081	21,948	-	795,102
Corporate unallocated assets						2,165,067
Total assets	<u>356,882</u>	<u>34,191</u>	<u>382,081</u>	<u>21,948</u>	<u>-</u>	<u>2,960,169</u>
Corporate segment liabilities	403,161	38,968	494,032	126,952	-	1,063,113
Corporate unallocated liabilities						112,937
Total liabilities	<u>403,161</u>	<u>38,968</u>	<u>494,032</u>	<u>126,952</u>	<u>-</u>	<u>1,176,050</u>
	2024					
	Fire and property damage	Marine, aviation and transport	Motor	Miscella- neous	Treaty	Total
	(Rupees in '000)					
Prior year						
Wakala fee	336,699	79,456	651,778	74,016	-	1,141,949
Commission expense	(124,828)	(35,926)	(177,379)	(17,089)	-	(355,222)
General, administrative & management expenses	(18,102)	(14,908)	(419,073)	(21,975)	-	(474,058)
Net commission and expenses	<u>(142,930)</u>	<u>(50,834)</u>	<u>(596,452)</u>	<u>(39,064)</u>	<u>-</u>	<u>(829,280)</u>
Modarib's share of PTF investment income	193,769	28,622	55,326	34,952	-	312,669
Investment income						134,361
Direct expenses						208,719
Other income						(14,693)
Profit before taxation						13,445
Taxation						654,501
Profit after taxation						<u>(255,444)</u>
Corporate segment assets	256,800	32,739	374,628	24,302	-	399,057
Corporate unallocated assets						688,469
Total assets	<u>256,800</u>	<u>32,739</u>	<u>374,628</u>	<u>24,302</u>	<u>-</u>	<u>1,515,085</u>
Corporate segment liabilities	250,313	24,731	358,447	90,875	-	2,203,554
Corporate unallocated liabilities						724,366
Total liabilities	<u>250,313</u>	<u>24,731</u>	<u>358,447</u>	<u>90,875</u>	<u>-</u>	<u>54,922</u>

33.2 Participants' Takaful Fund

Current year	Participants' Takaful Fund - 2025					
	Fire and property damage	Marine, aviation and transport	Motor	Miscella- neous	Treaty	Total
	(Rupees in '000)					
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	1,921,303	403,197	2,588,375	304,641	-	5,217,516
Less: Sales tax	253,978	42,366	353,642	39,183	-	689,169
Stamp duty	699	61,842	3,578	144	-	66,263
Federal insurance fee	16,501	2,960	22,091	2,586	-	44,138
Gross written contribution (inclusive of administrative surcharge)	1,650,125	296,029	2,209,064	262,728	-	4,417,946
Gross direct contribution	1,644,628	285,260	2,105,431	262,246	-	4,297,565
Administrative surcharge	5,497	10,769	103,633	482	-	120,381
Wakala fee	(547,199)	(103,610)	(831,513)	(91,955)	-	(1,574,277)
Contributions earned	859,472	175,698	1,162,297	163,058	-	2,360,525
Contributions ceded to retakaful	(1,153,005)	(206,364)	(49,747)	(170,268)	-	(1,579,384)
Net contribution revenue	(293,533)	(30,666)	1,112,550	(7,210)	-	781,141
Retakaful rebate earned	217,470	45,719	-	29,094	-	292,283
Net underwriting income / (loss)	(76,063)	15,053	1,112,550	21,884	-	1,073,424
Takaful claims	(304,173)	(130,319)	(1,187,765)	(238,813)	-	(1,861,070)
Takaful claims recovered from retakaful	260,793	104,256	59,259	189,788	-	614,096
Net claims	(43,380)	(26,063)	(1,128,506)	(49,025)	-	(1,246,974)
Other direct expenses	(431)	(223)	(43,319)	(281)	-	(44,254)
Deficit before investment income	<u>(119,874)</u>	<u>(11,233)</u>	<u>(59,275)</u>	<u>(27,422)</u>	<u>-</u>	<u>(217,804)</u>
Investment income						326,351
Other income						33,679
Modarib share of investment income						(90,014)
Surplus transferred to accumulated surplus						<u>52,212</u>
Corporate segment assets	1,924,143	170,841	1,205,456	385,598	-	3,686,038
Corporate unallocated assets						3,626,359
Total assets	<u>1,924,143</u>	<u>170,841</u>	<u>1,205,456</u>	<u>385,598</u>	<u>-</u>	<u>7,312,397</u>
Corporate segment liabilities	2,282,629	323,645	2,138,886	553,061	-	5,298,221
Corporate unallocated liabilities						79,000
Total liabilities	<u>2,282,629</u>	<u>323,645</u>	<u>2,138,886</u>	<u>553,061</u>	<u>-</u>	<u>5,377,221</u>

Prior year	Participants' Takaful Fund - 2024					
	Fire and property damage	Marine, aviation and transport	Motor	Miscella- neous	Treaty	Total
	(Rupees in '000)					
Contribution receivable (inclusive of sales tax, federal insurance fee and administrative surcharge)	1,259,002	301,178	2,101,370	269,170	-	3,930,720
Less: Sales tax	163,416	31,702	278,499	31,487	-	505,104
Stamp duty	405	31,548	1,910	107	-	33,970
Federal insurance fee	10,843	2,356	18,030	2,216	-	33,445
Gross written contribution (inclusive of administrative surcharge)	1,084,338	235,572	1,802,931	235,360	-	3,358,201
Gross direct contribution	1,079,705	225,975	1,714,773	221,244	-	3,241,697
Facultative inward premium	-	-	-	13,752	-	13,752
Administrative surcharge	4,633	9,597	88,158	364	-	102,752
Wakala fee	(358,203)	(82,451)	(676,467)	(82,376)	-	(1,199,497)
Contributions earned	669,926	147,560	1,062,745	137,457	-	2,017,688
Contributions ceded to retakaful	(960,243)	(174,501)	(27,402)	(142,122)	-	(1,304,268)
Net contribution revenue	(290,317)	(26,941)	1,035,343	(4,665)	-	713,420
Rebate from retakaful operator	188,348	40,526	-	24,868	-	253,742
Net underwriting income / (loss)	(101,969)	13,585	1,035,343	20,203	-	967,162
Takaful claims	(139,834)	(53,105)	(790,534)	(85,223)	-	(1,068,696)
Takaful claims recovered from retakaful	143,377	42,484	-	84,360	-	270,221
Net claims	3,543	(10,621)	(790,534)	(863)	-	(798,475)
Other direct expenses	(71)	(81)	(51,324)	(106)	-	(51,582)
Surplus / (deficit) before investment income	(98,497)	2,883	193,485	19,234	-	117,105
Investment income						496,494
Other income						40,949
Modarib share on investment income						(134,361)
Surplus transferred to accumulated surplus						520,187
Corporate segment assets	1,518,519	105,770	728,985	246,183	-	2,599,457
Corporate unallocated assets						3,368,771
Total assets	1,518,519	105,770	728,985	246,183	-	5,968,228
Corporate segment liabilities	1,708,889	274,274	1,620,676	368,564	-	3,972,403
Corporate unallocated liabilities						74,563
Total liabilities	1,708,889	274,274	1,620,676	368,564	-	4,046,966

34 STATEMENT OF SOLVENCY

	2025	2024
	(Rupees in '000)	
Assets		
Investments - Debt securities	2,976,251	2,984,937
Current Assets - Others		
- Takaful / retakaful receivables	1,238,798	642,916
- Amounts due from other insurers/reinsurers	26,407	16,100
- Salvage recoveries accrued	69,540	39,890
- Deposits and other receivables	2,450	1,167
- Retakaful recoveries against outstanding claims	534,064	665,806
- Accrued investment income	55,280	69,194
- Deferred wakala fees	867,309	590,994
- Prepayments	945,649	643,751
	3,739,497	2,669,818
Cash and bank	596,649	313,473
Total assets	7,312,397	5,968,228

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

Contribution due since more than three months
Total of In-admissible assets

Total admissible assets

Total liabilities

Underwriting provisions

Outstanding claims (including IBNR)

Unearned contribution reserves

Unearned retakaful rebate

Contribution received in advance

Takaful / retakaful payables

Payable to OPF

Other creditors and accruals

Total liabilities

Total net admissible assets

Minimum solvency requirement (higher of following)-

Method A - U/S 36 (3) (a)

Method B - U/S 36 (3) (b)

Method C - U/S 36 (3) (c)

Excess in net admissible assets over minimum requirements

35 DATE OF AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors in its meeting held on 03 March 2026.

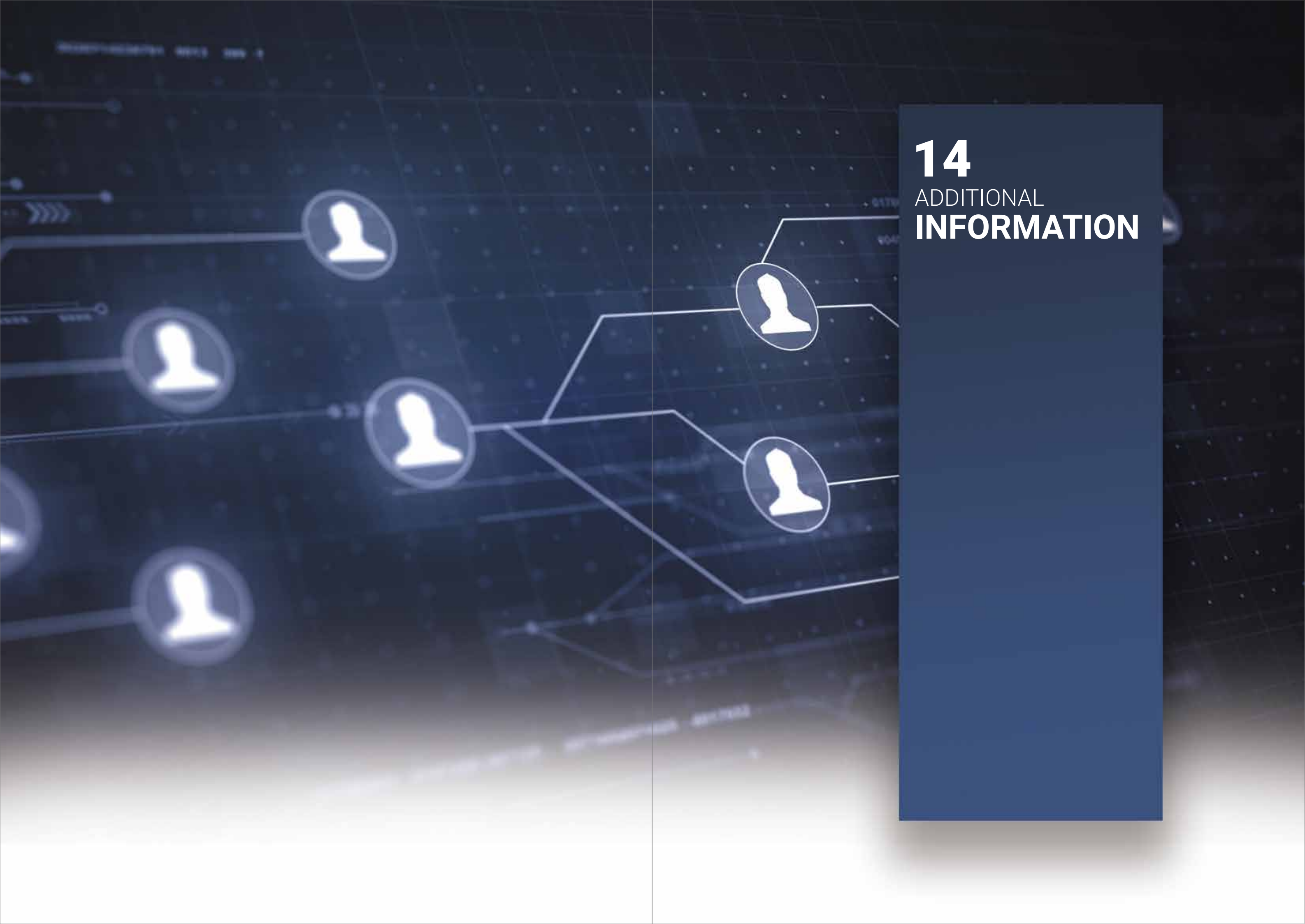
TAHER G. SACHAK
Director

HASANALI ABDULLAH
Director

NAJMUL HODA KHAN
Chief Financial Officer

KAMRAN ARSHAD INAM
Managing Director &
Chief Executive Officer

SAIFUDDIN N. ZOOMKAWALA
Chairman



14

ADDITIONAL
INFORMATION

PATTERN OF SHAREHOLDING

As at December 31, 2025

NUMBER OF SHAREHOLDERS	SHAREHOLDINGS		SHARES HELD
	FROM	To	
406	1	100	11,706
288	101	500	77,332
145	501	1000	109,721
250	1001	5000	631,346
104	5001	10000	756,317
57	10001	15000	719,866
27	15001	20000	471,955
23	20001	25000	527,234
17	25001	30000	469,314
8	30001	35000	258,101
16	35001	40000	619,989
6	40001	45000	263,530
7	45001	50000	337,514
6	50001	55000	306,540
7	55001	60000	405,493
4	65001	70000	270,043
8	70001	75000	578,940
11	75001	80000	867,269
4	85001	90000	351,405
2	90001	95000	186,467
11	95001	100000	1,091,932
5	100001	110000	530,157
8	110001	120000	928,393
3	120001	130000	383,425
1	130001	140000	138,534
1	140001	150000	146,435
4	150001	160000	620,911
1	160001	170000	162,162
3	170001	180000	530,684
2	200001	210000	403,387
1	230001	240000	237,600
3	250001	275000	773,183
3	275001	300000	876,013
1	300001	325000	316,800
2	325001	350000	674,533
3	350001	375000	1,110,023
4	375001	400000	1,584,088
1	400001	425000	416,000
1	450001	475000	456,393
1	475001	500000	493,300
1	600001	625000	623,610

PATTERN OF SHAREHOLDING

As at December 31, 2025

NUMBER OF SHAREHOLDERS	SHAREHOLDINGS		SHARES HELD
	FROM	To	
3	675001	700000	2,031,262
1	750001	775000	769,100
1	775001	800000	792,000
2	875001	900000	1,792,144
2	925001	950000	1,866,667
1	950001	975000	953,073
1	975001	1000000	1,000,000
1	1000001	1100000	1,000,842
1	1100001	1200000	1,107,414
1	1300001	1400000	1,352,064
1	1400001	2400000	1,649,533
2	2400001	3400000	5,835,732
1	5400001	6400000	5,455,675
1	7200001	8200000	7,577,361
1	13000001	14000000	13,710,142
1	15000001	16000000	15,086,619
1	22000001	23000000	22,192,613
1	24000001	25000000	24,042,744
1	28000001	29000000	28,876,218
1	42000001	43000000	42,191,152
1481			200,000,000

PATTERN OF SHAREHOLDING

As at December 31, 2025

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
Associated Companies, Undertakings and Related Parties			
Jahangir Siddiqui & Co. Ltd.		42,191,152	
JS Bank Limited		5,455,675	
JS Infocom Limited		679,200	
Jahangir Siddiqui & Sons Limited		97,900	
Jahangir Siddiqui Securities Services Limited		200,987	
JS Lands (Private) Limited		895,800	
Energy Infrastructure Holding (Private) Limited		15,086,619	
Trustee - Future Trust		7,577,361	
Future Trust		146,435	
The Aga Khan University Foundation		162,162	
Trustees EFU General Insurance Limited, Staff Provident Fund		252,851	
Trustees EFU General Ins. Limited, Officer's Pension Fund		68,101	
Trustees EFU General Insurance Limited, Employees Gratuity Fund		128,456	
Trustees EFU Life Assurance Limited, Employees Provident Fund		733	
Trustees EFU Health Insurance, Employees Provident Fund		44,800	
	15	72,988,232	36.49
Directors, CEO & their Spouse and Minor Children			
Saifuddin N. Zoomkawala		316,800	
Hasanali Abdullah		374,958	
Taher G. Sachak		14,046	
Saad Bhimjee		1,000,842	
Asad Nasir		500	
Tanveer Sultan Moledina		396,181	
Yasmin Hyder		100,000	
Kamran Arshad Inam		2,500	
Lulua Saifuddin Zoomkawala		792,000	
	9	2,997,827	1.50
NIT and ICP	-	-	-
Banks, Development Finance Institutions, Non-Banking Finance Companies	4	1,358,464	0.68
Modarabas and Mutual Funds	4	376,770	0.19
General Public:			
Local	1,405	96,059,339	48.03
Foreign	5	387,385	0.19
Others	39	25,831,983	12.92
Total	1,481	200,000,000	100
Shareholders holding 5% or more voting interest			
Jahangir Siddiqui & Co. Ltd.		42,191,152	21.10
Munir Bhimjee		28,876,218	14.44
Managing Committee of Ebrahim Alibhai Foundation		24,042,744	12.02
Rafique R.Bhimjee		22,192,613	11.10
Energy Infrastructure Holding (Private) Limited		15,086,619	7.54
Jahangir Siddiqui		13,710,142	6.86

GLOSSARY

- **Authorised Share Capital** - The maximum value of share that a Company can issue.
- **Bonus Shares** - Free shares given to current shareholders out of profit.
- **Book Value** - The value of an asset as entered in a company's books.
- **Capital Expenditure** - The cost of long-term improvements and fixed assets.
- **Capital Gain** - Portion of the total gain recognised on the sale of investments.
- **Claims** - The amount payable under a contract of insurance arising from occurrence of an insured event.
- **Claims Incurred** - The aggregate of all claims paid during the accounting period together with attributable claims handling expenses, where appropriate, adjusted by the gross claims reserve at the beginning and end of the accounting period.
- **Commission** - Remuneration to an intermediary for services such as selling and servicing an insurer's products.
- **Contribution** - The amount payable by a Participant to the Participants' Takaful Fund under a Takaful Contract for the purpose of mutual protection and assistance.
- **Corporate Social Responsibility** - Is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, and all other members of the public who may also be considered as stakeholders.
- **Deferred Commission** - Expenses which vary with and are primarily related to the acquisition of new insurance contracts and renewal of existing contracts, which are deferred as they relate to a period of risk subsequent to the Balance Sheet date.
- **Deferred Tax** - An accounting concept (also known as future income taxes), meaning a future tax liability or asset in respect of taxable temporary differences.
- **Defined Benefit Plans** - Are post-employment benefit plans.
- **Depreciation** - Is the systematic allocation of the cost of an asset over its useful life.
- **Doubtful Debts** - Is a debt where circumstances have rendered its ultimate recovery uncertain.
- **Earnings per Share** - Amounts of after tax profit or loss attributable to ordinary shareholders of the entity.
- **Equity Method** - Method of accounting whereby the investment is initially recognized at cost and adjusted periodically for the post-acquisition change in the investor's share of net assets of the investee.
- **Exchange Gain / (Loss)** - Difference resulting from translating a given number of units of one currency into another currency at different exchange rates.
- **Facultative Reinsurance** - The reinsurer assumes a share of selected individual risks. The primary insurer can offer an individual risk in reinsurance, which the reinsurer accepts on a case by case basis.
- **Fair Value** - The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing business partners in an arm's length transaction.
- **General Insurance** - All kinds of non-life Insurance i.e., Fire, Marine, Motor and all Other Insurance as defined in the Insurance Ordinance, 2000.
- **General Takaful** - Takaful other than Family Takaful.
- **Gross Premium** - Premium which an insurer is contractually entitled to receive from the insured in relation to contracts of insurance.
- **Group Health Insurance** - A single health policy covering a group of individuals, usually employees of the same company or members of the same association and their dependents.
- **Human Resource Development** - A framework for the expansion of within an organization through the development of both the organization and the individual to achieve performance improvement.
- **Impairment** - The amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.
- **Incurred but not Reported (IBNR)** - Claim incurred but not reported to the insurer until the financial statements reporting date.
- **Inflation** - A general increase in prices and fall in the purchasing value of money.
- **Insurance Contract** - A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder for a specified uncertain future event at an agreed consideration.
- **Insurer Financial Strength Rating** - Provides an assessment of the financial strength of an insurance company.

- **Intangible** - An identifiable non-monetary asset without physical substance.
- **Internal Control** - An accounting procedure or system designed to promote efficiency or assure the implementation of a policy or safeguard assets or avoid fraud and error etc.
- **Loss Ratio** - Percentage ratio of claims expenses to premium.
- **Market Share** - The portion of a market controlled by a particular company or product.
- **Market Value** - The highest estimated price that a buyer would pay and a seller would accept for an item in an open and competitive market.
- **Mudaraba** - A Mudaraba is an Investment partnership, whereby the investor (the Rab-ul-Mal) provides capital to another party / entrepreneur (the Mudarib) in order to undertake a business / investment activity. While profits are shared on a pre-agreed ratio, loss of investment is born by the investor only. The mudarib loses its share of the expected income.
- **Mudaraba Based Contract** - An investment Contract based on the principle of Mudaraba.
- **National Exchequer** - The account into which tax funds and other public funds are deposited.
- **Net Asset Value** - The value of all tangible and intangible assets of a company minus its liabilities.
- **Net Premium Revenue** - Gross earned premium less Reinsurance expense.
- **Non-Life Insurance** - Non Life Insurance and General Insurance have the same meaning.
- **Operator** - A Takaful Operator or a Window Takaful Operator, authorized under SECP Takaful Rules, 2012.
- **Operator Fund** - A fund set up by a General Takaful Operator which shall undertake all transactions which the Operator undertakes other than those which pertain to Participant Takaful Funds set up by the Operator.
- **Outstanding Claim** - A type of technical reserve or accounting provision in the financial statements of an insurer to provide for the future liability for claims.
- **Paid-up Capital** - The amount paid or contributed by shareholders in exchange for shares of a company's Stock.
- **Participant** - A Person who participates in a Takaful scheme and to whom a Takaful Contract is issued.
- **Participants' Membership Documents** - The documents detailing the benefits and obligations of a Participant under a Takaful Contract.
- **Participant Takaful Fund (PTF)** - A Separate Waqf Fund set up into which the Participant's Risk related contributions are paid and from which risk related benefits are paid out.
- **Period of Takaful or Policy Period** - The length of time for which the Takaful protection will be effective.
- **Premium** - The amount that has to be paid as consideration for the insurance cover provided by an insure
- **Present Value** - Future amounts that have been discounted to the present.
- **Proxy** - Power of attorney by which the shareholder transfers the voting rights to another shareholder.
- **Qard-e-Hasna** - An interest free loan to the PTF from the Operator's Fund, when the PTF is in deficit and insufficient to meet their all liabilities.
- **Quoted** - Being listed on a Stock Exchange.
- **Registered Office** - The registered office is an address which is registered with the government registrar as the official address of a company.
- **Reinsurance** - A method of insurance arranged by insurers to share the exposure of risks accepted.
- **Reinsurance Commission** - Commission received or receivable in respect of premium paid or payable to a reinsurer.
- **Reinsurance Premium** - The premium payable to the reinsurer in respect of reinsurance contract.
- **Related Party** - Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.
- **Retrocession** - Transfer of risk from a reinsurer to another reinsurer.
- **Revenue Reserves** - Reserve that is normally regarded as available for distribution through the profit and loss account, including general reserves and other specific reserves created out of profit and unappropriated profit.
- **Risk** - Condition in which there is a possibility of loss.
- **Risk Management** - Includes analyzing all exposures to gauge the likelihood of loss and choosing options to better manage or minimize loss.

- **Shariah Advisor** - Shariah Advisor of the Operator working in such capacity appointed by the Operator under Rule 26 of the SECP Takaful Rules, 2012.
- **Statutory Levies** - Fee charged (levied) by a government on a product, income, or activity.
- **Strategic Objective** - A broadly defined objective that an organization must achieve to make its strategy succeed.
- **Subsequent Event** - Non Adjusting - Are events concerning conditions which arose after the balance sheet date, but which may be of such materiality that their disclosure is required to ensure that the financial statements are not misleading.
- **Takaful** - Takaful is an arrangement based on the principles of brotherhood and mutual help wherein participants contribute in a fund to help those who need it most in times of financial difficulties.
- **Takaful Contract** - Any contract of Family Takaful or General Takaful.
- **Tangible** - An asset whose value depends on particular physical properties.
- **Term Finance Certificate** - A debt instrument issued by an entity to raise funds.
- **Underwriting Profit** - This is the profit generated purely from the General Insurance business without taking into account the investment income and other non-technical income and expenses.
- **Unearned Premium** - It represents the portion of premium already entered in the accounts as due but which relates to a period of risk subsequent to the Balance Sheet date.
- **Window Takaful Operator** - A Registered Insurer authorized under SECP Takaful Rules, 2012 to carry on Takaful business as Window Operations in addition to Conventional Insurance Business.
- **Wakala** - Agent-principal relationship, where a person nominates another to act on his behalf.
- **Wakala Based Contract** - A contract based on the principle of Wakala (agency)

BRANCH NETWORK

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Export Processing Zone Branch

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Tower Branch

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Auto Bhan Road
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Sukkur (Sub Office)

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Multan Division

Mr. Adnan Khaliq
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Rajput Commercial Centre
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4510317
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Vehari (Sub-Office)

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Vehari.
Phone No. 067-3362900

Rahim Yarkhan (Sub-Office)

7-Shaheen Market
Shahi Road
Rahim Yarkhan.
Phone No. 5873794
Fax No. 5877194

Bahawalpur (Sub-Office)

Upper shops, Al Noor commercial Center
Behind MCB Farid Gate
Band road
Bahawalpur.

Ichhra Branch

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Lahore Division

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Divisional Head
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37350616, 37312196,
37323130, 37353566
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Goth Machi Branch

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Branch Head
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Distt. Rahim Yar Khan
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Fax No. 5954518

Peshawar Branch

Syed Muhammad Aamir Kazmi
Branch Head
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35 The Mall
Peshawar.
Phone No. 5608507-8, 5608503-4
Fax No. 5608506

BRANCH NETWORK OF EFU WINDOW
TAKAFUL OPERATIONS





FORM OF PROXY

I / We _____
of _____
being a member of E F U GENERAL INSURANCE LIMITED hereby appoint
Mr. _____
of _____
or failing him _____
of _____

as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the
93rd Annual General Meeting of the Company to be held on Monday March 30, 2026 at 1:00 p.m.
and at any adjournment thereof.

Signed this _____ day of _____ 2026.

WITNESSES:

1. Signature: _____
Name: _____
Address: _____
CNIC Or
Passport No: _____



Signature of Member(s)

2. Signature: _____
Name: _____
Address: _____
CNIC Or
Passport No: _____

Shareholder's Folio No. _____
and / or CDC
Participant I.D.No. _____
and Sub Account No. _____

Important:

This form of Proxy, duly completed, must be deposited at the Company's Registered Office at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area, Islamabad, not later than 48 hours before the time appointed for the meeting.

CDC Shareholders and their Proxies are each requested to attach attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.

CDC Shareholders or their Proxies are requested to bring with them their Original Computerized National Identity Card or Passport along with the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.



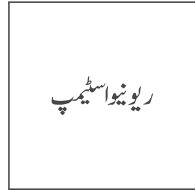
پراکسی فارم

_____ میں/ہم
 _____ ساکن
 _____ بحیثیت ممبر ایف یو جنرل انشورنس لمیٹڈ بذریعہ ہذا مسمی
 _____ ساکن
 _____ کو یا ان کی عدم دستیابی کی صورت میں مسمی
 _____ ساکن

کو اپنی/ہماری جانب سے پراکسی مقرر کر دیا/ رہی ہوں تاکہ وہ بروز پیر ۳۰ مارچ ۲۰۲۶ء بوقت ۱۰:۰۰ بجے دوپہر منعقد ہونے والے ۹۳ واں سالانہ اجلاس عام یا اس کے کسی بھی التواء میں میری/ہماری جگہ شرکت کرے اور ووٹ ڈالے۔

دستخط بروز _____ بتاریخ _____ ۲۰۲۶ء

گواہان:



ممبر (ممبران) کے دستخط

۱۔ دستخط: _____
 نام: _____
 پتہ: _____
 سی این آئی سی یا پاسپورٹ نمبر _____

۲۔ دستخط: _____
 نام: _____
 پتہ: _____
 سی این آئی سی یا پاسپورٹ نمبر _____

اہم نوٹ:

پراکسی کا یہ فارم جو ہر طرح سے مکمل ہو، لازماً کمپنی کے رجسٹرڈ آفس واقع کامران سینٹر، پہلی منزل، ۸۵ ایسٹ، جناح ایونیو، بلیو ایریا، اسلام آباد میں اجلاس کے طے شدہ وقت سے کم از کم ۴۸ گھنٹے قبل جمع کر دیا جائے۔

سی ڈی سی شیئر ہولڈرز اور ان کے پراکسیز سے درخواست ہے کہ ہر ایک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا پاسپورٹ کی مصدقہ نقل کمپنی کو پراکسی فارم جمع کرانے سے قبل اس کے ساتھ منسلک کرے۔

سی ڈی سی شیئر ہولڈرز یا ان کے پراکسیز سے درخواست ہے کہ اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ بشمول پارٹیسپنٹ کا آئی ڈی نمبر اور ان کے اکاؤنٹ نمبر اپنی شناخت میں سہولت کی غرض سے سالانہ اجلاس عام میں شرکت کے وقت ہمراہ لائیں۔



BANK MANDATE FORM

Date _____

Bank Mandate Form For Electronic Credit of Cash Dividend

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information:

(i) Shareholder's detail	
Name of Shareholder	
Folio No. / CDC Account No.	
CNIC No.	
Passport No. (in case of foreign shareholder)	
Cell Number of Shareholder	
Landline Number of Shareholder, if any	
E-mail Address	

(ii) Shareholder's bank detail	
Title of the Bank Account	
IBAN 24 Digits	
Bank's Name	
Branch Name and Code No.	
Branch Address	

It is stated that the above mentioned information is correct and in case of any change therein, I/we will immediately intimate to my Broker / CDC Participant / CDC Investor Account Services or Share Registrar accordingly.

Signature of Shareholder

You are requested to kindly send this Form duly filled in and signed along with legible photocopy of your valid CNIC to your Broker / CDC Participant / CDC Investor Account Service (in case your shareholding is in Book Entry Form) or in case your shareholding is in physical form to our Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Shahra-e-Faisal, Karachi-74400, Pakistan.

بینک مینڈیٹ فارم برائے نقد منافع منقسمہ کالیکٹرونگ کریڈٹ

معزز شیئر ہولڈر،

آپ کو بذریعہ ہذا اطلاع دی جاتی ہے کہ کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۲۳۲ کے مطابق نقد کی صورت میں قابل ادائی کوئی بھی منافع منقسمہ صرف بذریعہ الیکٹرونک طریقہ کار براہ راست استحقاق کے حامل شیئر ہولڈر کی جانب سے نامزد کردہ بینک اکاؤنٹ میں جمع کرا دیا جائے گا۔ برائے مہربانی آگاہ رہیں کہ منافع منقسمہ کی ادائیگیوں کیلئے بینک مینڈیٹ فراہم کرنا لازم ہے اور اس قانونی شرط پر عملدرآمد کے ضمن میں اور اپنے بینک اکاؤنٹ میں منافع منقسمہ کی رقم براہ راست جمع کرانے کی سہولت حاصل کرنے کے لئے آپ سے درخواست ہے کہ درج ذیل معلومات فراہم کریں۔

(i) شیئر ہولڈر کی تفصیل	
شیئر ہولڈر کا نام	
فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر	
سی این آئی سی نمبر	
پاسپورٹ نمبر (غیر ملکی شیئر ہولڈر ہونے کی صورت میں)	
شیئر ہولڈر کا موبائل نمبر	
شیئر ہولڈر کا لینڈ لائن نمبر، اگر کوئی ہو	
ای میل ایڈریس	

(ii) بینک اکاؤنٹ کے پیک کی تفصیل	
بینک اکاؤنٹ کا نام	
آئی بی اے این "۲۳۳ ہندسوں پر مشتمل"	
بینک کا نام	
برانچ کا نام اور کوڈ نمبر	
برانچ کا پتہ	

یہ واضح کیا جاتا ہے کہ مذکورہ بالا معلومات درست ہیں اور ان میں کسی بھی تبدیلی سے میں/ہم فوری طور پر اپنے بروکر/سی ڈی سی پارٹنر/سی ڈی سی انویسٹر اکاؤنٹ سروسز یا شیئر رجسٹرار کو لازمی آگاہ کروں گا۔

شیئر ہولڈر کے دستخط

آپ سے درخواست ہے کہ اس فارم کو مکمل طور پر بھریں اور دستخط شدہ صورت میں اپنی کارآمد اور واضح سی این آئی سی کی کاپی کے ساتھ اپنے بروکر/سی ڈی سی پارٹنر/سی ڈی سی انویسٹر اکاؤنٹ سروسز (شیئر ہولڈنگ بک انٹری کی صورت میں) یا اپنی شیئر ہولڈنگ فزیکل ہونے کی صورت میں ہمارے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، ۹۹-بی، بلاک-بی، ایس ایم سی ایچ ایس، شاہراہ فیصل، کراچی-۷۴۳۰۰، پاکستان کو ارسال کر دیں۔