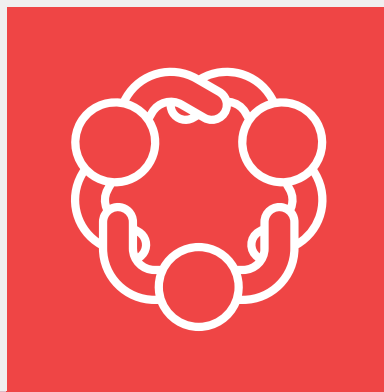
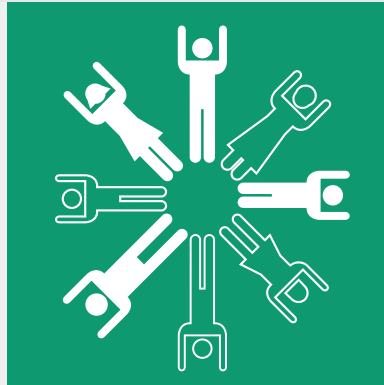


Annual
Report
2025



A Foundation
for the Future
DEIB

Diversity, Equity,
Inclusion, & Belonging.



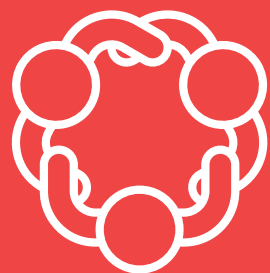
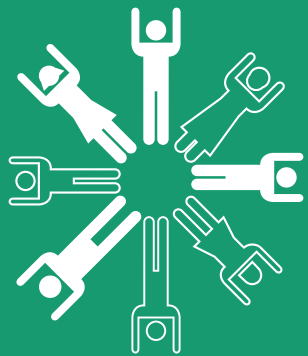


A Foundation for the Future

Our Commitment to
Diversity, Equity, Inclusion,
and Belonging

In an ever-changing world, the most enduring value we can offer is security, empathy, and a promise kept. For decades, our mission has been to protect families and secure futures, and that mission is only as strong as the community it serves. At the heart of our operations, from the policies we underwrite to the people we employ, lies a profound commitment to human dignity and potential. This year, we spotlight the foundational philosophy guiding our work: Diversity, Equity, Inclusion, and Belonging (DEIB)

These principles are not just initiatives—they are the moral compass that ensures we are here for everyone, offering coverage that truly reflects the richness and complexity of life itself. A diverse world deserves an inclusive protector.



Diversity

The Breadth of Life We Protect

Diversity is the recognition and celebration of differences in our customers, communities, and colleagues encompassing race, gender, age, background, ability, and thought. It is the wide spectrum of experiences that enriches our perspective.

A truly diverse company understands that there is no one-size-fits-all life plan. Diversity drives us to innovate and create products that meet the unique, multifaceted needs of every family structure, income level, and life journey, ensuring our promise of protection is accessible across the entire human landscape. We are building a company as varied as the lives we insure.

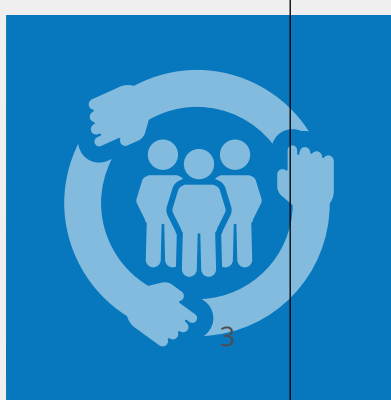
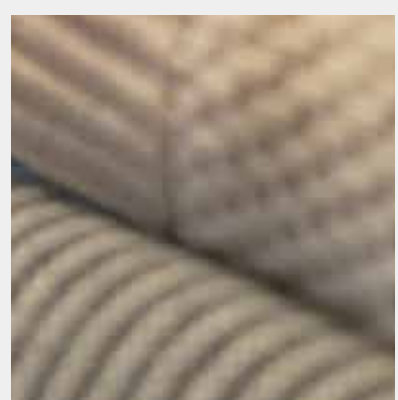
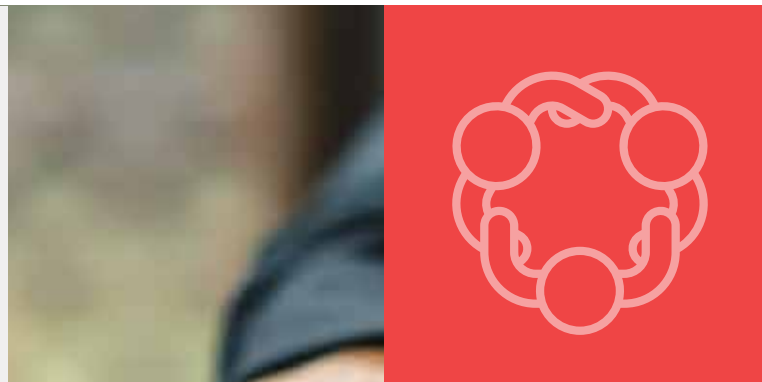
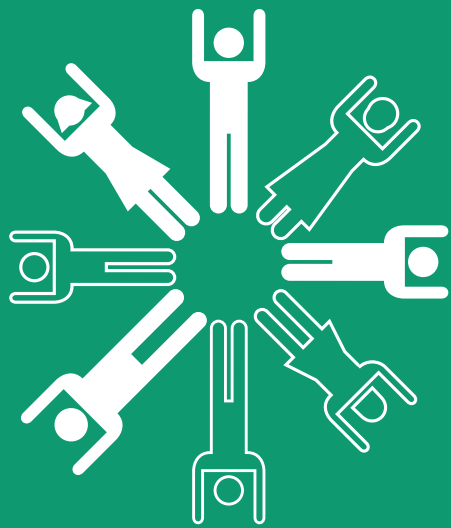
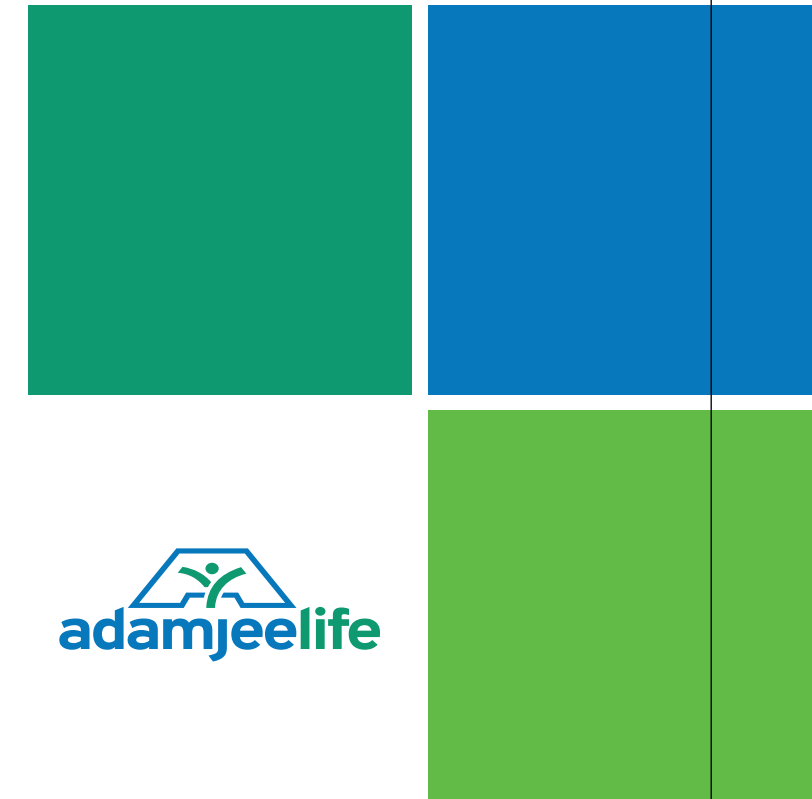


Table of Contents

STRATEGIC REPORT		64	Risk Management Framework	FINANCIAL STATEMENTS		259	Notes to and forming part of the Financial Statements
06	Organizational Overview	65	Risk Management Governance Structure	134	Independent Auditor's Report	OTHER INFORMATION	
07	Our Purpose	66	Risk and Opportunity Report	140	Statement of Financial Position	313	Branch Network
08	Group Overview	68	Stakeholders Relationship and Engagement	141	Statement of Profit or Loss	316	Pattern of Shareholding
10	Vision, Mission	72	Sustainability & Corporate Social Responsibility (CSR)	142	Statement of Comprehensive Income	317	Notice of Annual General Meeting Proxy Form
12	Core Values	CORPORATE GOVERNANCE		143	Statement of Changes in Equity		
13	Key Financial Highlights	76	Directors Profile	144	Cash Flow Statement		
14	Strategic Objectives	80	Chairman's Review	145	Notes to and forming part of the Financial Statements		
15	Rating of the Company	82	Chairman's Review Urdu	244	Statement of Appointed Actuary u/s 52(2)		
16	Individual Life Products	83	Directors' Report	WINDOW TAKAFUL OPERATIONS			
17	Group Life Products	99	Directors' Report Urdu	247	Shariah Advisor Profile		
18	Digital Products	100	Compliance with the Code of Corporate Governance (COCG)	248	Statement of Compliance with the Shariah Principles		
22	Company Information	106	Review Report on COCG	249	Independent Reasonable Assurance Report to the BOD on Statement of Compliance with the Shariah Principles		
25	Management & Board Committees	108	Governance Framework	252	Shariah Advisor's Report to BOD		
27	Geographical Presence	115	Gender Pay Gap Statement	254	Statement of Financial Position		
28	Organizational Structure	FINANCIAL HIGHLIGHTS		255	Statement of Profit or Loss		
32	Management Profile	118	Financial Performance Analysis	256	Statement of Comprehensive Income		
40	Events Highlights	119	Six Year Financial Performance	257	Statement of Changes in Equity		
50	Awards and Accolades	120	Capital Structure of the Company	258	Cash Flow Statement		
52	Competitive Landscape and Market Positioning	121	Dupont Analysis				
54	PESTEL Analysis	122	Financial Ratios				
56	Critical Challenges and the Company's Response	123	Horizontal Analysis				
57	SWOT Analysis	128	Vertical Analysis				
58	Internal Value Chain Analysis	129	Segment Net Premium				
59	Strategic Objectives	130	Quarterly Analysis				
60	Resource Allocation	131	Share Price Analysis				
62	Strategies to Achieve Strategic Objectives						
63	Risk Management Policy						



Organizational Overview



COMPANY OVERVIEW

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

OUR PURPOSE

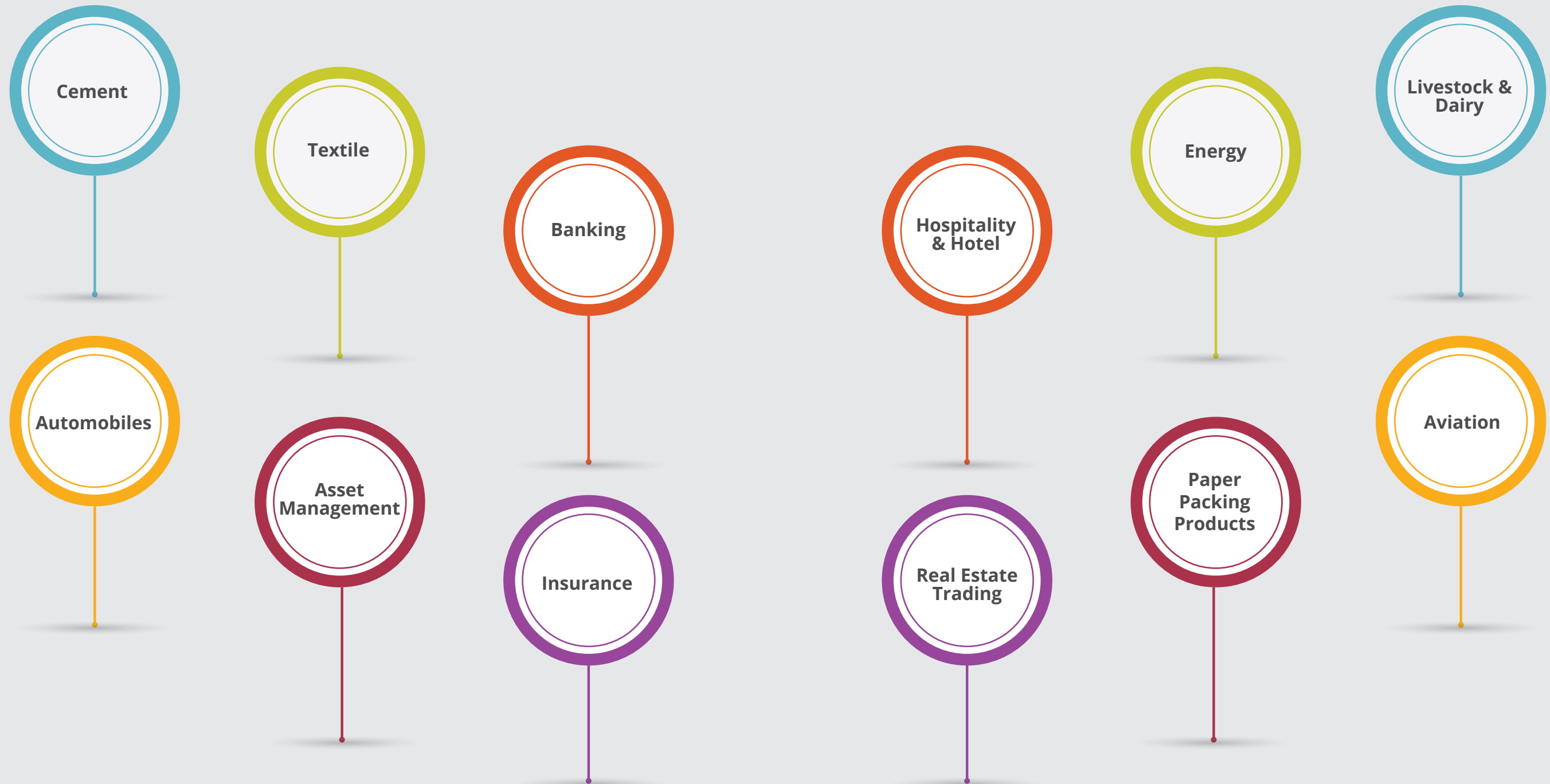
We are dedicated to serve as a dependable security net for our customers, providing them with the assurance to live life to the fullest, knowing their financial future is safeguarded against unexpected events.

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

Group Overview

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

NISHAT



Vision

To be the most trusted insurance partner

Mission

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



Core Values

VALUE CREATION

Create value in everything we do.

CUSTOMER FOCUS

Always keep the customer's interest in mind.

OPENNESS

Foster a culture of trust and transparency.

RESPECT

Promote mutual respect and inclusiveness.



Key Financial Highlights

Gross Premium/Contribution

PKR **36.41**
BN

Investment Income

PKR **21**
BN

Earning Per Share

PKR **5.01**
Share

Benefits paid

PKR **31.76**
BN

Investment

PKR **123.46**
BN

Equity and Reserves

PKR **6.33**
BN

Profit After Tax

PKR **1.31**
BN

Assets

PKR **134.59**
BN



Strategic Objectives



Rating of the Company

- Outlook: **Stable** • Rating Agency: **PACRA** • Rating Date: **13, August 2025**
- Action: **Upgrade**

AA



Individual Life Products

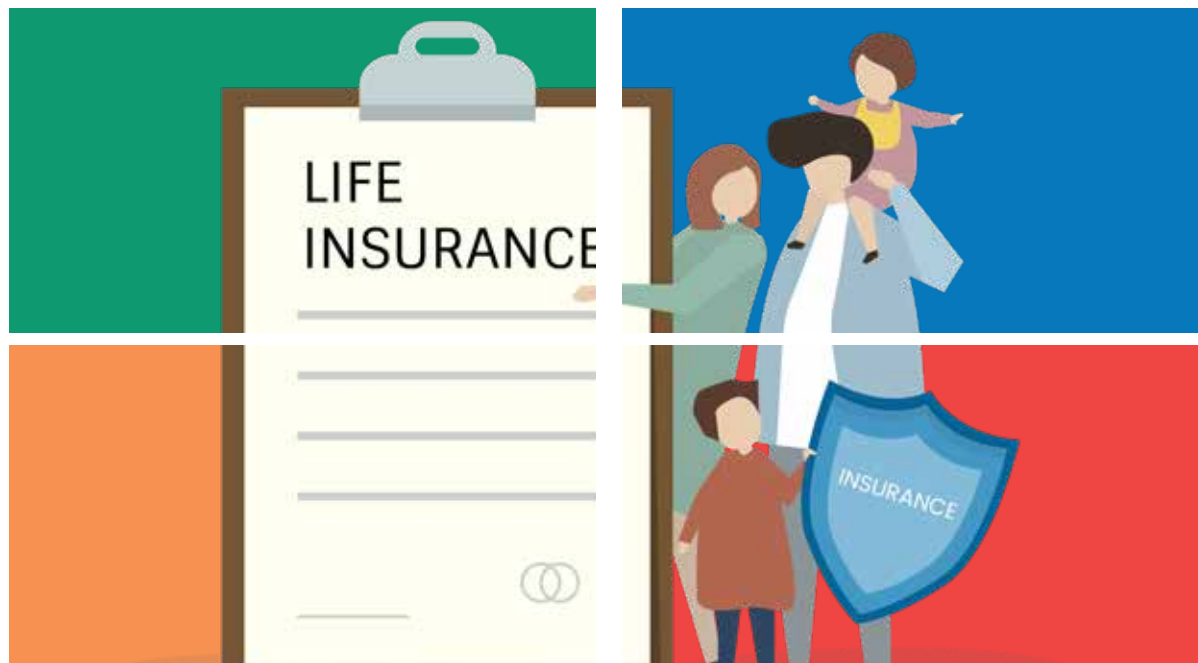
With our commitment to becoming the trusted partner for the future financial security of our customers, we take pride in offering tailored products designed to meet individual needs. Guided by a steadfast principle of prioritizing our customers, the Company has developed products that can be further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

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

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

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

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



Group Life Products

At Adamjee Life, our aim is to provide tailored plan-based solutions that empower corporations to thrive in today's dynamic business landscape. Through our comprehensive range of offerings, we ensure benefits not only for employees but also for employers. We provide an overall exclusive package for each of our clients as per their corporate requirement, including:

Conventional & Takaful options—Individualized dealings



Digital Products

Easy and convenient

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

Pure Insurance

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

Family Sehat

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



Call Center Services

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



Website & Online Services

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

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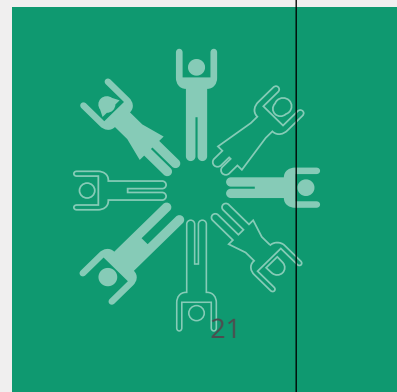
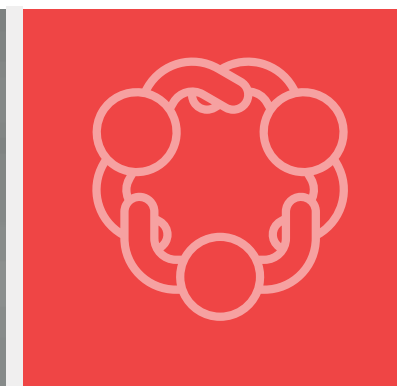


Equity

Fair Access to Security

Equity is the principle of ensuring fair treatment, equality of opportunity, and fairness in access to resources and information for all. It means understanding that different people start from different places and may need different levels of support to achieve the same successful outcome.

Equity in insurance means actively breaking down systemic barriers that prevent vulnerable or historically underserved populations from accessing essential financial protection. It guides us to review our underwriting practices and distribution channels to ensure fair premiums and equitable coverage, providing everyone with the chance to build a secure legacy, regardless of their starting line.



Company Information

Board Of Directors

Mr. Umer Mansha
Chairman

Mr. Ismail Arif Rafi
Director

Mr. S.M. Jawed
Director

Mr. Muhammad Ali Zeb
Director

Mr. Imran Maqbool
Director

Mrs. Naz Mansha
Director

Mr. Shahmeer Khalid Butt
Director (Resigned: Effective August 11, 2025)

Mr. Fahad Iqbal
Director (Appointed: Effective February 17, 2026)

Management

Manzar Mushtaq
Chief Executive Officer

Jalal Meghani
Executive Director & CFO

Muhammad Shahid Hameed
Head of Window Takaful

Athar Chaudhry
Director - Information
Solutions & Technologies

Absar Azim Burney
Director - Business Operations

Zehra Faiz
Director - Human Resources

Amin Nizar Ali
Director - Actuarial Services

Dr. Bakht Jamal
Advisor to the CEO – Technical Affairs

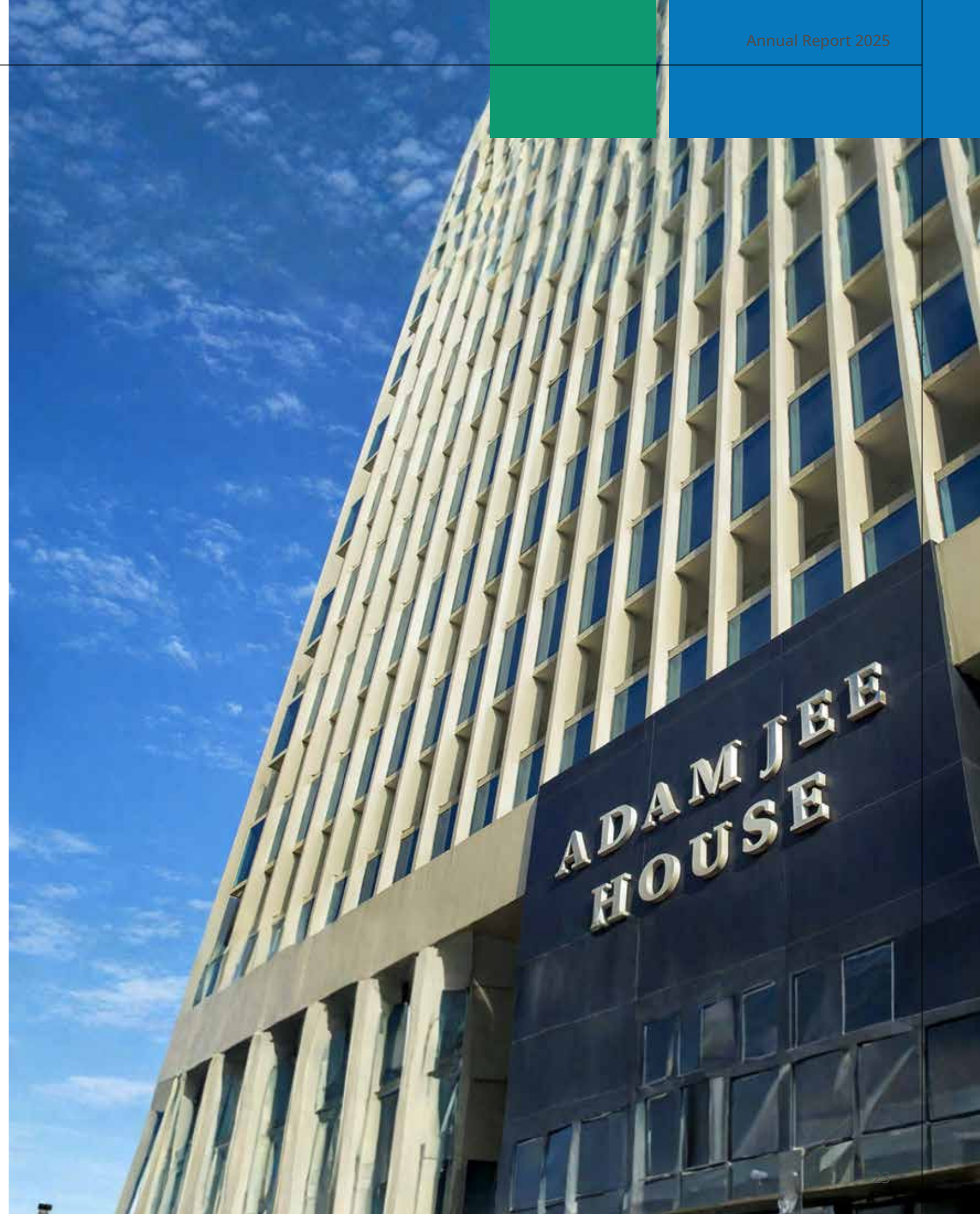
Muhammad Iftikhar Javed
Director - Corporate Sales, Bancassurance &
Business Strategy

Statutory Positions

Asif Mirza
Head of Compliance and Legal Affairs

Arslan Tahir
Company Secretary

Samad Ali Naqvi
Head of Internal Audit



Company Information

Share Registrar

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

Statutory Auditors of the Company

Riaz Ahmad & Co. Chartered Accountants Address: 20th Floor, Bahria Town Tower Building, Tariq Road, Karachi, Pakistan

Appointed Actuary

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

Shariah Advisor

Mufti Muhammad Zubair Usmani

Legal Advisor

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

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

Address

Head Office

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

Registered Office

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

Bankers

- MCB
- TELENOR BANK
- KHUSHALI BANK
- SCB
- UBL
- BANK ALFALAH
- SAMBA
- DUBAI ISLAMIC BANK

- MOBILINK MICROFINANCE BANK LTD
- MCB ISLAMIC BANK
- ASKARI BANK
- BANK ISLAMI
- AL BARAKA
- NATIONAL BANK OF PAKISTAN
- HABIB METRO
- FAYSAL BANK

Management & Board Committees

Underwriting & Reinsurance Committee

Member	Category
Mr. Umer Mansha	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial
Dr. Bakht Jamal	Advisor to CEO - Technical Affairs
Mr. Shams ul Zuha	Member / Head of Reinsurance
Mr. Farrukh Kidwai	Secretary / Head of Underwriting

Claim Settlement Committee

Member	Category
Mr. S.M. Jawed	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer
Mr. Absar Burney	Member / Head of Business Operations
Mr. Muhammad Danish	Member / AGM Payout & Settlements
Mr. Kashif Fareed Ahmed Khan	Secretary / Head of Claims

Risk Management & Compliance Committee

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

Management & Board Committees

Ethics, Human Resource, Remuneration and Nominations Committee

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

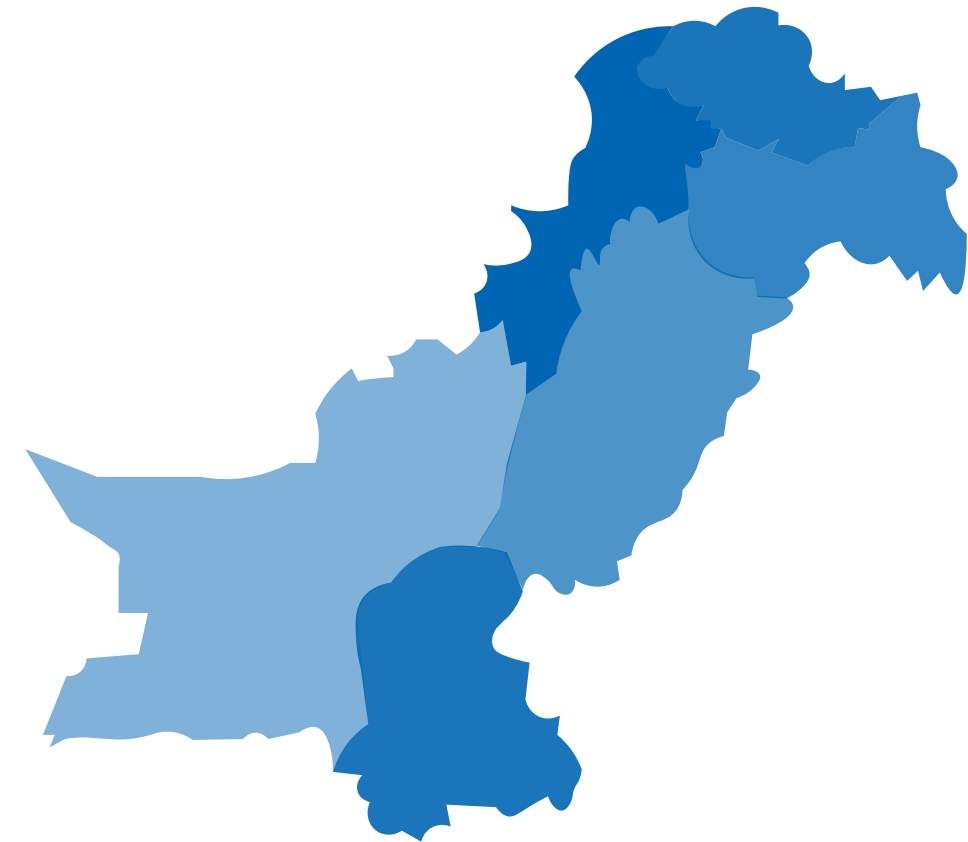
Investment Committee

Member	Category
Mr. S.M. Jawed	Chairman / Non-Executive Director
Mr. Muhammad Ali Zeb	Member / Non-Executive Director
Mr. Imran Maqbool	Member / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial
Mr. Muhammad Amir	Secretary / AGM Finance

Audit Committee

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

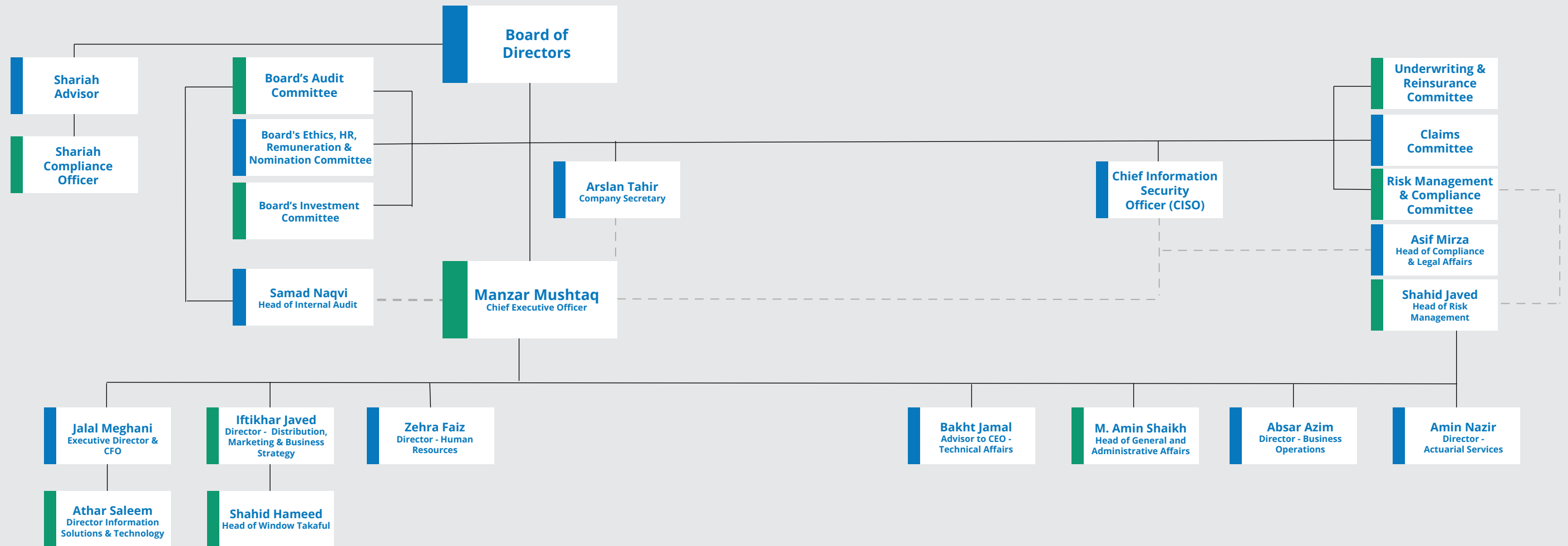
Our Geographical Presence



Major Cities

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

Organizational Structure



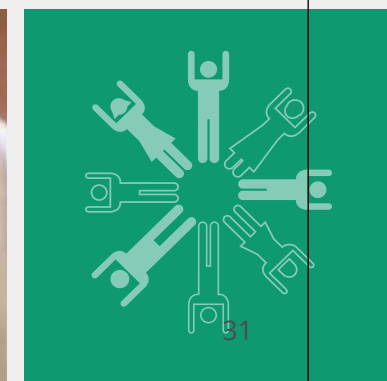
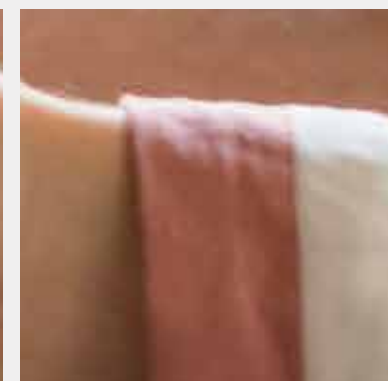
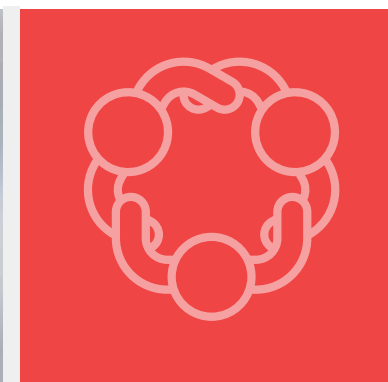
* The role of CISO is assigned to Director, IST.
 ** Shariah Compliance Officer administratively reports to Head of Compliance.

Inclusion

Welcoming Everyone to the Table

Inclusion is the act of creating an environment where every person feels respected, valued, and psychologically safe, where their unique contributions are sought out and leveraged. It's making sure the diverse voices we hire are not only present but truly heard and influential.

We commit to inclusion by fostering a workplace culture where all employees feel valued, leading to better decision-making and empathy. This translates directly to how we serve you: an inclusive organization is better equipped to offer sensitive, personalized service and to anticipate the needs of our global and diverse policyholders during their most critical moments.



Management Profile



Manzar Mushtaq
Chief Executive Officer

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

Mr. Mushtaq has held many leadership roles over the span of 19 years of his career. From 2011 to 2013, he served as the Managing Director/CEO of Adamjee Insurance Company. He then moved onto hold the position of Chief Executive Officer at Habib Metropolitan Financial Services Ltd in 2013 and served 8 years in the same company. Previously, he was also associated with Security General Insurance Company.



Jalal Meghani
Executive Director & CFO

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



Muhammad Iftikhar Javed
Director Corporate Sales, Bancassurance & Business Strategy

Muhammad Iftikhar Javed is a seasoned banking professional with almost three decades of diversified experience in the financial services sector, specializing in consumer banking, strategic business planning, and digital transformation. As Director Bancassurance, Corporate Sales & Business Strategy at Adamjee Life, he brings a proven track record of managing large-scale business portfolios, driving revenue growth, and leading impactful, innovative initiatives across the consumer banking industry.

Before joining Adamjee Life, Mr. Javed held multiple senior leadership roles at Bank Alfalah. During his tenure, he successfully led high-impact transformation projects and launched several pioneering initiatives in product development, digital onboarding, and process automation—enhancing customer convenience and loyalty while ensuring stringent control mechanisms. His strategic acumen significantly improved key business performance indicators and operational efficiency.

Prior to Bank Alfalah, he held senior positions at MCB Bank and United Bank Limited, where he led regional sales operations and built high-performing teams.

He holds a Master's degree in Economics and a Bachelor's degree in Statistics and Economics from the University of Punjab. He has also completed numerous executive education programs from LUMS and the Frankfurt School of Finance & Management, with a focus on leadership, strategic decision-making, and sustainable business management.

Mr. Javed is known for his dynamic leadership, deep market insights, and ability to implement customer-centric, tech-driven solutions that align with organizational goals and deliver long-term value.

Management Profile



Dr. Bakht Jamal
Advisor to the CEO – Technical Affairs

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



Zehra Faiz
Director - Human Resources

Zehra Faiz has more than 20 years of local and international experience in HR, business operations, sales and marketing. Her qualifications include Master degree in English Literature from Punjab University, post graduate study in Information Systems Management and Human Resource Management from University of Canberra, Australia. Zehra started her career in 2002 in Australia with telecommunication sector. During her career in Australia she has been associated with banking, legal and insurance sectors. In Pakistan her career remained in manufacturing and insurance sectors. Currently she holds the position of Head of Human Resources in Adamjee Life. Prior to this she was employed as Director HR in Alsons Group. She was also employed with Adamjee Insurance Company Limited as Head of Human Resources.

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



Amin Nizar Ali
Director - Actuarial Services

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



Absar Azim Burney
Director - Business Operations

Mr. Absar Azim Burney holds an undergraduate degree in International Relations from Karachi University. He has over 34 years of experience in operational and sales management. He has started his career with Shell Pakistan the then Pakistan Burmah Shell Ltd. After that moved to insurance industry, worked with leading players in insurance market in Pakistan and United Arab Emirates where he served as Country Head for Adamjee Insurance Company Limited. Before joining Adamjee Life he was working as Chief Executive Officer of Linchpin Cluster (Private) Limited, Pakistan a management consultancy firm.

Management Profile



Athar Chaudhry
Director - Information Solutions & Technologies

Athar is a seasoned IT leader with over 23+ years of experience, boasting a Master's in Computer Science specializing in Network Management & Design; with BS in Computer Science specializing in Software Engineering. He's a certified Microsoft expert (MCTS, MCSE) and holds credentials in ITILv3 and ISO 9000, demonstrating his commitment to quality and best practices.

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

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



Muhammad Shahid Hameed
Head of Window Takaful

Mr. Shahid Hameed is an accomplished sales professional with over 23 years of extensive experience in the insurance industry. He holds an MBA in Human Resource Management from the Institute of Management Sciences, Peshawar.

He began his career with Jubilee Life Insurance in 2003 as a Development Officer, gaining valuable hands-on experience in sales and business development. He later joined Dawood Family Takaful Limited, where he further enhanced his expertise in insurance sales and leadership over a decade of dedicated service.



Dr. Mufti Muhammad Zubair Usmani
Shariah Advisor

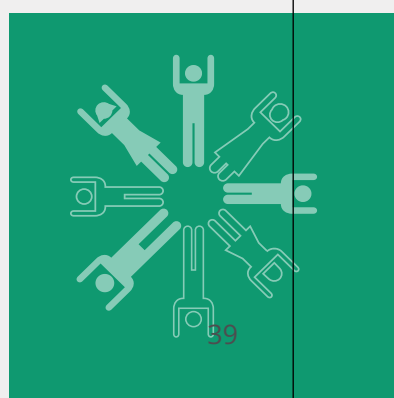
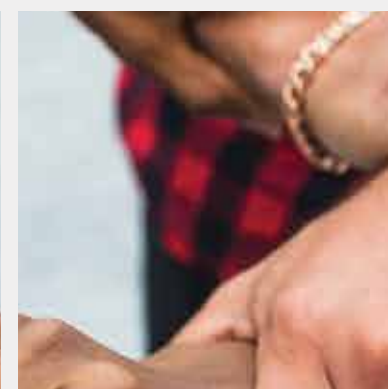
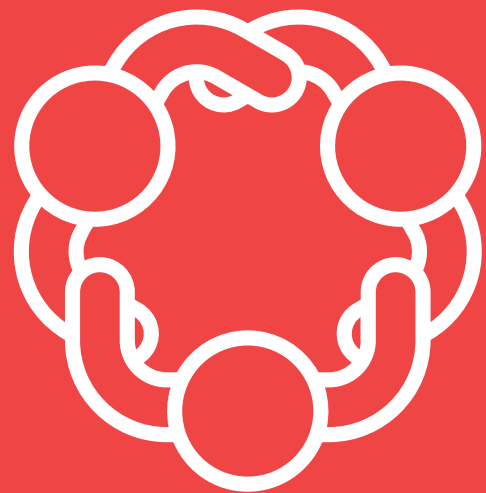
Dr. Muhammad Zubair Usmani is a qualified and one of the most experienced Shariah Scholars in the Islamic Banking Industry. He did his Shariah graduation (Fazil Dars-e-Nizami) & Takhassus Fil Fiqh (Mufti i.e. Specialization in Islamic Fiqh & Fatawa) from Jamia Dar ul Uloom, Karachi. He has done Masters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

Belonging

The Promise of a Shared Future

Belonging is the emotional outcome of successful DEI efforts—it is the feeling of being accepted as an authentic self, fully connected to the group, and having a stake in the company’s mission and future. It is where security, connection, and purpose converge.

Our deepest goal is to help our customers feel a profound sense of financial belonging and peace of mind. By fostering belonging internally, we create a stable, loyal team that is dedicated to our shared purpose. When you choose us, you are joining a community that believes in your inherent worth and is committed to securing your place in the future, giving you and your loved ones the ultimate feeling of security and belonging.



Events and Highlights

The past year offered several moments to pause, acknowledge progress, and celebrate the people and partnerships that continue to shape Adamjee Life's journey.

Wellness Week - 2025

Together towards a healthy workplace



Annual Picnic - 2025

Employee Engagement Initiative



Events and Highlights

Jahaan Hai tou Jaan Hai Reduce. Reuse. Recycle



Adamjee Life Employees Iftar Dinner - 2025



Events and Highlights

Adamjee Family Takaful Partnered with the National Bank of Pakistan (NBP) - 2025

Signing Memorandum of Understanding (MoU)



Independence Day Celebrations - 2025

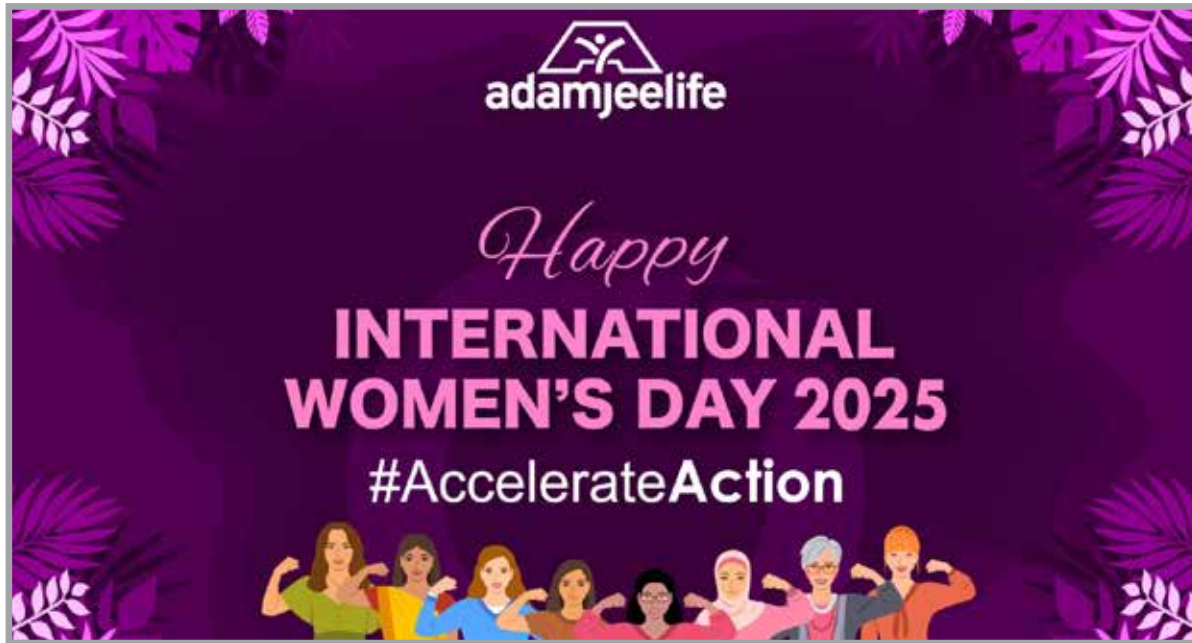


International Men's Day - 2025



Events and Highlights

International Women's Day - 2025



Events and Highlights

Adamjee Life Certified Specialist Program Training – 2025



Events and Highlights

Professional Grooming Session and Training - 2025



Diversity Equity Inclusion Belonging (DEIB) - 2025 Employee Training

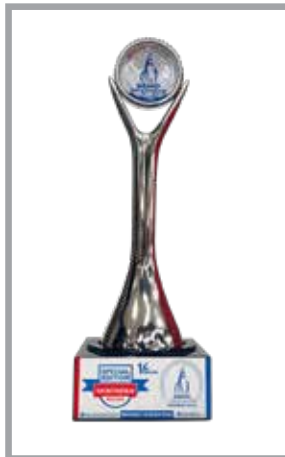


Ignite Sales Conference - 2025



Awards and Accolades

Fastest Growing Brand of the Year Award at the 16th Brand of the Year Awards – Northern Edition 2025



Corporate Excellence - Certificate of Merit (Life Insurance) at the 40th Corporate Excellence Awards 2025



Internal and External Environment

Competitive landscape and market positioning

Threats	Description	ALIFE's Position
Threat of New Entrants	New entrants in an industry bring innovation but put a limit to profitability within the industry.	<p>The risk of new entrant is medium to low. The cost involved in starting a new business is very high. Further, a long time is required to make the business operative and self-sustaining.</p> <p>The only chance is for financial institutions to branch out and invest in insurance business. This phenomenon is also seconded by the fact that bancassurance business is the key component of the life insurance business and hence the new entrant has to have collaboration with some bank in order to have success. However, both the banking and insurance industries are comparatively consolidated industries with fewer players.</p>
Bargaining Power of Suppliers	Threat that the suppliers make the most margins and leave little room for other partners in the supply chain to make money.	<p>As an insurance company, ALIFE considers its distribution partners especially institutional distribution channels (banks), as suppliers. These suppliers have historically leveraged their position to influence customer choices when it comes to buying insurance.</p> <p>ALIFE has reduced the risk by strengthening the partnership with the distribution channels, focusing on hybrid models where ALIFE remains closely knitted with banca distribution partners in onboarding process of new customers and post sales engagement with policyholders.</p>

Threats	Description	ALIFE's Position
Bargaining Power of Buyers	Powerful and influential buyers can also squeeze the margins for the firm.	<p>This is the most powerful threat as Customer can exert enormous force and influence the pricing of the product. There are multiple alternatives for procuring products and services that are available in the market. Customers have the right to demand lower prices and higher product quality. Large corporate clients paying millions of rupees in premiums have bargaining power too. With the online emergence of social media, and instantaneous access to awareness of coverage, pricing, and services, today's customer demands more personalized attention and care for the premiums paid. To meet these expectations, ALIFE ensures that the product features for which the customer is paying should justify its cost while the price remains market competitive.</p>
The Threat of Substitutes	The substitutes perform the same or similar function to that of an industry's product but by different means.	<p>Life insurance products are similar within the industry and therefore so many substitutes are available to the customers. ALIFE addressed this threat by focusing on customer service, generating better returns on policyholders' investment and enhancing overall customer experience.</p>
Rivalry between Existing Players	The intensity of rivalry among existing players can significantly limit the profitability proposition for the firm.	<p>ALIFE has a very strong and coherent bonding with its distribution channels. ALIFE is also expanding the network of distribution channels and is more focused towards the hybrid models. The main goal of the Company is to establish a strong and sustainable direct sales channel. New and innovative products and sustainable & steady returns of policyholders' fund would also help to manage this risk.</p>

Macro Environmental / PESTEL Analysis

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



POLITICAL



- Stability & Attitude of the Government
- Tax policies
- Support for legislation & implementation

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



ECONOMIC



- Growth of Economy
- Unemployment
- Other factors affecting economy

The economy of Pakistan plays an enormous role in the growth and survival of insurance industry. Pakistan's economy remained in a stabilization and reform phase under IMF support while macroeconomic indication showed gradual improvement including better foreign exchange reserves and stable inflation. Real GDP growth arrives around 3.71% in 1QFY26 largely contributed to growth in agricultural, industrial and service sector. During, 11MCY25, Pakistan's current account posted a surplus of USD 163million compared to a surplus of USD 42million during the same period last year. During 11MCY25, foreign remittance was up by 16% YoY basis with a decline in fiscal deficit of approximately 14% YoY basis. During the period under review, SBP continued its monetary easing by a cut in policy rate of 250 basis points to 10.5% by Dec 25 primarily due to low headline inflation, reaching around 5.8%.



SOCIAL



- Demographic variables
- Cultural & ethical aspects
- Impact of media.

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



TECHNOLOGICAL



- Use of Internet
- Analytics and other tools

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



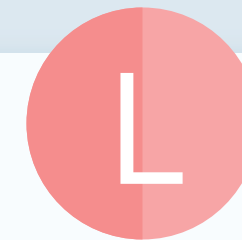
ENVIRONMENTAL



- Regulatory Bodies
- Supporting Institutions

Environmental and climate-related risks continue to present significant challenges to Pakistan's economic stability and long-term development. According to the United Nations Development Programme (UNDP), Pakistan ranked 8th on the Global Climate Risk Index, reflecting the country's high exposure to environmental shocks and limited adaptive capacity.

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



LEGAL



- Management and operations
- Claim settlement

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

Critical Challenges and the Company's Response

CRITICAL CHALLENGES	ALIFE RESPONSE
Sales tax on life insurance industry	The Company, based on the opinions of the legal advisors, is confident about the favorable outcome against the petitions filed in the provincial high court/ federal constitutional court and will simultaneously continue administrative efforts through IAP platform to reach an amicable resolution with the provincial revenue authorities.
IFRS 17	The Company has engaged with a foreign consultant for the completion of IFRS 17 Phase 4 – Parallel Runs & Implementation. During fiscal year 2025, the Company has successfully completed Dry Run 1, marking the completion of a key implementation phase and progressed towards subsequent dry runs.

SWOT Analysis

SWOT



STRENGTHS

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



WEAKNESSES

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



OPPORTUNITIES

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



THREATS

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

Internal Value Chain Analysis

PRIMARY ACTIVITIES	
Product development	<ul style="list-style-type: none"> - Wide variety of products for conventional insurance and takaful that covers all classes and age groups of society. - Promote innovation in product designing. - Products available on digital channels. - Design more customer centric products.
Marketing, sales and distribution	<ul style="list-style-type: none"> - Extensive branch network with further expansion plan. - Experience and competent sales force. - Performance marketing for online sales generation using social media. - Marketing, public relations & corporate communication and advertising. - Update market messaging to reflect customer sentiment and product positioning. - Adjust marketing mediums (e.g. print, mail, digital etc.) and expected impact analysis to align with spend and return. - Update and align marketing function to new needs, which must consider messages, campaigns, mediums, ways of working, capacity and talent.
Underwriting	<ul style="list-style-type: none"> - Benchmarking of entity level risk to underwrite policies. - Carry a well-diversified portfolio to spread the risk. - Evaluation of risk profile according to the policy. - Build technical capability in underwriters to recognize the developments in risk management techniques and technology changes that may bring efficiency and accuracy.
Policy administration	<ul style="list-style-type: none"> - Review policy administrative processes to handle the policy and identify opportunities to automate and where necessary, reengineer the process to increase efficiency and decrease costs. - Understand the consumer experience and the 'moments of truth' during the maintenance of their policy.
Claims Management	<ul style="list-style-type: none"> - Explore and develop automated claims processing capabilities, with focus on developing operating model and staff capabilities to support a more automated environment. - Rigorous evaluation to avoid payments against fake claims.
Asset Investment Management	<ul style="list-style-type: none"> - Engage professional services to handle investment and generate returns that outperform the market. - Invest in diversified portfolios ranging from lowest risk securities to real estate, to benefit from various opportunities while mitigating the corresponding risks. - Assess investment strategies given challenging yield environment and shifting views of economic recovery patterns.
Customer Experience	<ul style="list-style-type: none"> - Dedicated hotline and WhatsApp for customers. - Focus on digital means to make the process quick and effective. - Dedicated team to handle complaints on priority basis.
SECONDARY ACTIVITIES	
Human resources management	<ul style="list-style-type: none"> - Committed to fostering an inclusive, diverse, and supportive workplace. - Prioritize employee welfare, equal opportunities, and career growth, ensuring a thriving and dynamic work environment. - Promotes diversity, equity, inclusion and belonging (DEIB) by maintaining a workforce that reflects a balanced representation of genders, backgrounds, and experiences at all organizational levels. Through competitive benefits, professional development programs, and flexible work arrangements. - Empower employees to achieve both personal and professional success while maintaining a healthy work-life balance. - Striving towards leadership advocacy, leadership development program, fostering open communication channels, and cultural inclusivity initiatives that reinforce our commitment to a workplace where every individual feels valued and heard. - Believing in investing in employees as a key to continued success, and remain dedicated to cultivating a progressive, inclusive, and forward-thinking organizational culture. - Effective grievance management.
Finance & Actuarial	<ul style="list-style-type: none"> - Reporting is in compliance with regulatory framework and issued on a timely and accurate basis. - Tax compliance. - Integration between actuarial and finance department for process improvement, pricing and valuation. - Technical trainings for finance and actuarial team.
Risk Management	<ul style="list-style-type: none"> - Risk identification, categorization & mitigation plan. - Strong internal controls. - Dedicated team for quality assurance of internal processes. - Compliance with Code of Corporate Governance, AML and other regulatory requirements of SECP. - Implementation of policies and standard operating procedures. - Training and awareness sessions.
Data and Technology	<ul style="list-style-type: none"> - Data integrity, data security & business continuity. - Customer support APP. - Focus on paperless environment. - Implementation of business intelligence dashboards. - In-house built software with competent support to end users.

Strategy and Resource Allocation

Short, medium and long-term strategic objectives.

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

Strategy and Resource Allocation

Resource Allocation to Achieve Strategies

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

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

Type of Resources	Description of utilization
Financial Resources	<p>Financial resources are used to finance the activities and operations of the Company and Company has adequate protocols to utilize them efficiently.</p> <p>Cash and liquidity management:</p> <p>ALIFE has very strong controls over fund management. The fund position is prepared on daily basis and reviewed by the CFO.</p> <p>Company ensures that there are adequate funds to pay-off all the policyholders' payments (like surrenders, maturities, claims, refunds etc.) and other payments (including salaries, commission, vendor related payment, etc.).</p> <p>The admissible assets to total liabilities ratio of the Company 1.05 times</p> <p>Fund and Investment Management:</p> <p>ALIFE ensures that no idle funds are available at the day end. For better fund management and enhanced returns, the Company has entered into an outsourcing arrangement with MCB Funds which manages its funds while ensuring the returns are not less than the agreed benchmarks.</p> <p>Management Investment Committee is responsible for monitoring the performance of investments and a review report on fund's performance is also present to Board's Investment Committee on quarterly basis.</p>
Human Capital	<p>Human Capital Management is defined as the process of acquiring, training, managing, retaining employees for them to contribute effectively in the processes of the organization. In simpler words, upgrading the existing skills of an employee and extracting the best out of him/her refers to human capital management. The Company has employed 1,991 employees and it is very focused on their growth and constant training and development. ALIFE believes that the more skillful the employees are, the more refined the results would be. ALIFE has also gone into an extensive succession planning program.</p>

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

Strategies to Achieve Strategic Objectives

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

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

Risk Management

Overview

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

Risk Management Policy

ALIFE has implemented a Risk Management Policy that clearly defines the objective, roles and responsibilities for the management of core risks; including underwriting & insurance risks, financial risks, operational risks and compliance & legal risks. The objective of risk management policy is to implement the requirements stipulated in the Code of Corporate Governance for Insurers, 2016.

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

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

Risk Management Framework

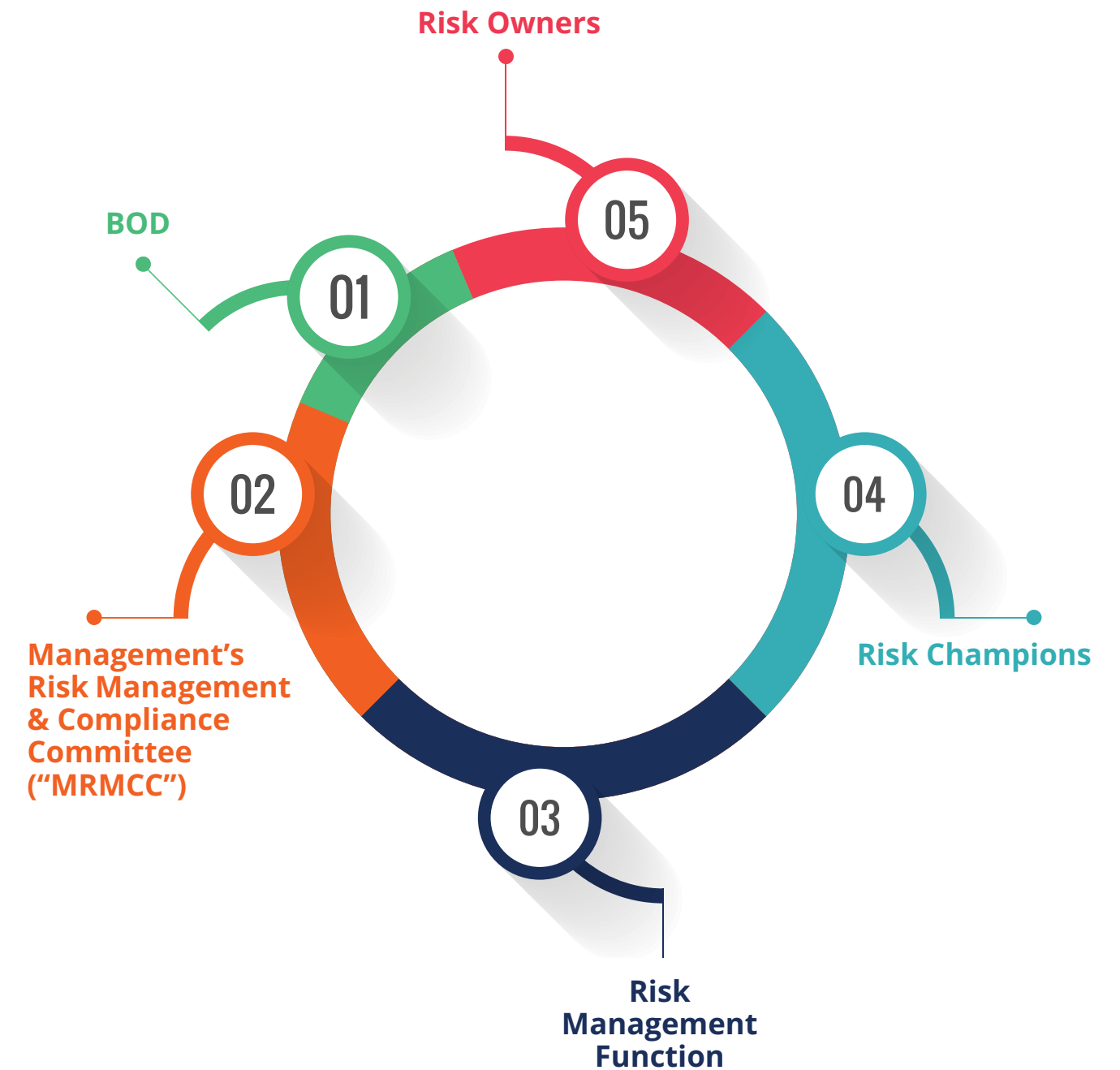
The Enterprise Risk Management (“ERM”) framework forms the overarching framework for management to deal with the various risks ALIFE may encounter, as well as their tracking and monitoring. This also ensures that the Company has processes in place by which risks are identified, assessed, managed, monitored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

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

The methodology and process of handling risk is as follows:



Risk Management Governance Structure



Risk and Opportunity Report

Risk and Opportunity Report

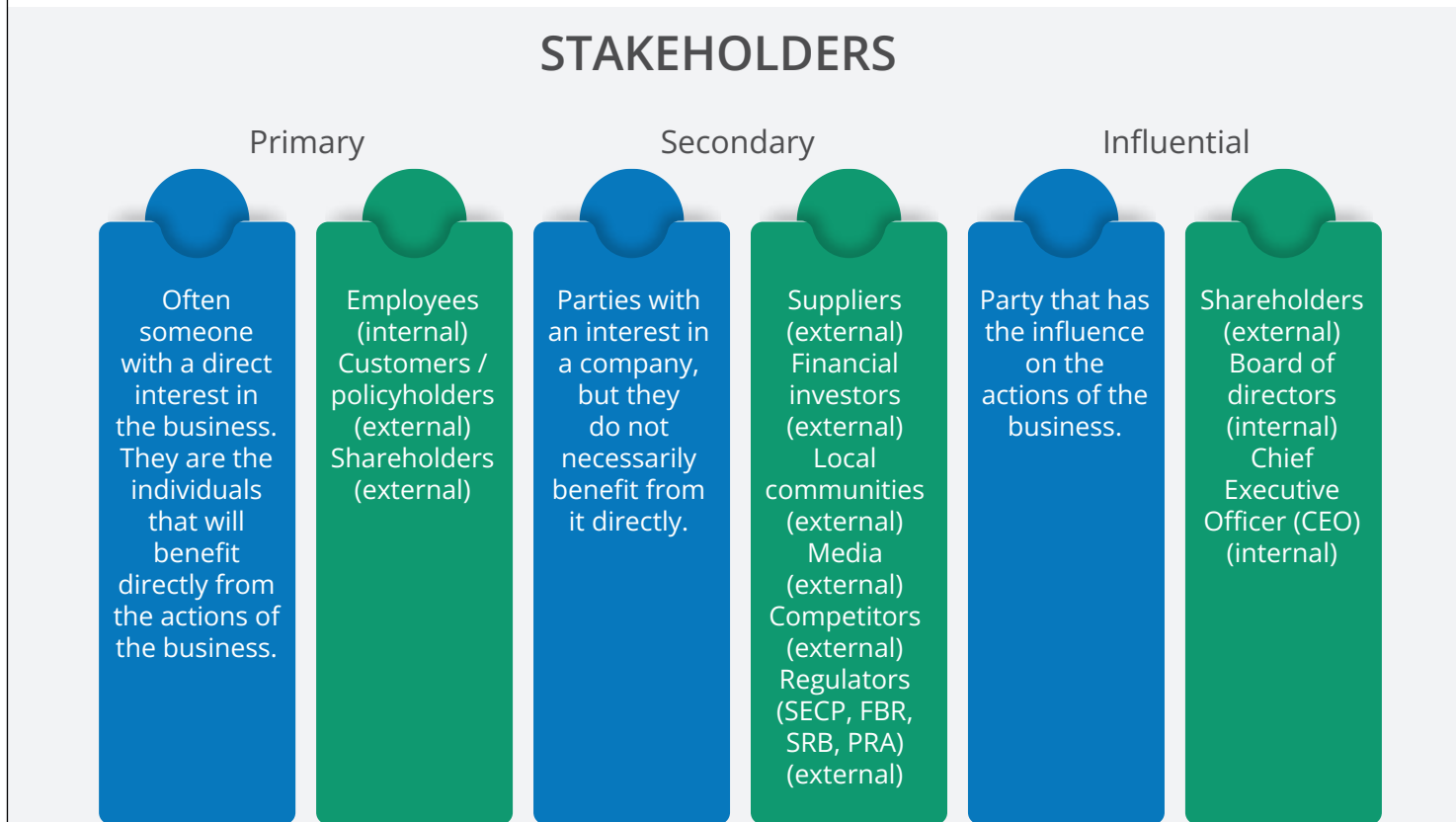
S. No	Risk	Mitigation
1	<p>Underwriting and Insurance Risk</p> <p>Insurance companies face risks through the contracts they underwrite. This risk refers to the loss and potential damage due to Underwriting Risk and Insurance activities.</p> <p>Underwriting and Insurance risks may affect the solvency and profitability of the insurer in an adverse manner.</p> <p>Underwriting and Insurance Risk is further classified in three broad categories namely:</p> <ul style="list-style-type: none"> - Biometric Risk (mortality, lapse, anti-selection, etc.) - Catastrophe Risk and - Pricing Risks 	<p>A detailed policy is in place that encapsulates the risk mitigating strategies including:</p> <ul style="list-style-type: none"> - Pricing reviews and repricing - Product design and structure - Stringent underwriting - Customer retention - Reinsurance cover
2	<p>Reserving (Provisioning) Risk</p> <p>Reserve risk is the risk that the reserves booked in the financial statements of the company for policyholder liabilities would not be sufficient to pay off policyholder obligations.</p>	<p>Following mitigating controls are in place:</p> <ul style="list-style-type: none"> - Annual Review of effectiveness of Product Development and Pricing - Review valuation Models - Appropriate assumptions - Liability Adequacy Testing
3	<p>Credit Risk</p> <p>Credit Risk is the risk that a Company will experience loss because another party is unable to fulfill its financial obligations towards the Company. Credit risk can also arise due to:</p> <ul style="list-style-type: none"> - fluctuations in the credit standing of issuers of Securities, Counterparties and any debtors. - delays in the completion of financial obligations by the obligor. <p>ALIFE faces credit risk from various counterparties such as its:</p> <ul style="list-style-type: none"> - Reinsurers, - Group Life clients - Investment portfolio. 	<p>Following mitigating controls are defined:</p> <p>Reinsurer</p> <ul style="list-style-type: none"> - Minimum credit rating - Highly capitalized and adequately experience reinsurer, - More reinsurers on panel to diversify the risk. <p>Group Life</p> <ul style="list-style-type: none"> - Model premium is discouraged especially where credit history is not satisfactory or premium amount is small. - Policy issuance is subject to receipt of premium (within specified time) - Aging of premium receivable balances. <p>Investment Portfolio</p> <ul style="list-style-type: none"> - Diversification of investment - Pre-assigned credit limits - Frequent monitoring
4	<p>Financial & Capital Adequacy Risk</p> <p>Financial and Capital Adequacy Risk refers to the risk that the financial health and the capital adequacy of the company might be adversely affected due to various factors leading to insolvency. There are a number of financial risk that can adversely affect the capital and lead to insolvency including:</p> <ul style="list-style-type: none"> - Asset Default Risk - Investments and Interest Rate Risk - Insurance Risk - Operational Risks - Other Risks 	<p>Following mitigating controls are in place:</p> <ul style="list-style-type: none"> - Compliance with minimum capital and solvency requirements as specified by SECP. - Frequent review of solvency position by internal management, auditors and appointed actuary.

5	<p>Liquidity Risk</p> <p>Liquidity Risk is the risk that an institution will be unable to meet its (expected and unexpected) financial obligations as they fall due, without incurring losses in disposing off its illiquid assets. Liquidity risk for ALife can arise due to the following factors:</p> <ul style="list-style-type: none"> - Mismatch risk: This refers to the emergence of illiquidity when policyholder liabilities are due - Liquidity risk arising from market forces and stress scenarios such as changes in interest rate, economic conditions, magnitude of the bid/ask spread etc. - Asset Composition: This refers to the risk specific to the liquidity of the various investments made by ALife. 	<p>Following mitigating controls are in place:</p> <ul style="list-style-type: none"> - The Insurance rules 2017 and ALife's Investment Policy both have set limits for various asset classes to ensure enough liquidity at all times. - Effective fund management to ensure timely availability of funds. - Alternate source of liquidity
6	<p>Investment, Market and Interest Rate Risk</p> <p>Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of the securities.</p>	<p>Following mitigating controls are in place:</p> <ul style="list-style-type: none"> - All investments are in compliance with investment policy. - Monitoring of equity and fixed based funds against their respective benchmarks as set out in the policy - A reporting structure is in place to review decisions taken by Investment manager - Monitoring and performance evaluation of funds at Management Investment Committee level.
7	<p>Compliance and Legal Risk</p> <ul style="list-style-type: none"> - Any omission or failure to meet regulatory compliance may expose the Company to penalties, fines and reputational risks. - Legal Risk can arise due to various reasons including issues in contracts with third parties and policyholders leading to litigation and disputes. 	<p>To avoid the consequences of Legal, Regulatory and Compliance Risks which mainly results in reputational damage and financial losses, the following practices are adhered to:</p> <ul style="list-style-type: none"> - Separate and independent legal & compliance function; - Tracking of regulatory compliance through checklists - Designated teams to implement new regulations - Review and monitoring of website. - The legal department analyze and provide the resolution of the case in collaboration with other relevant stakeholders.
8	<p>Operational Risk</p> <p>Operational risk can be described as the risk of loss due to inadequate or failed internal processes, people, systems or from external events.</p>	<p>Following mitigating controls are in place:</p> <ul style="list-style-type: none"> - Implementation of up-to-date SOPs - Integrated IT System - Claims handling policy & procedures, Policy Claim Checklist and MIS - Trainings of customer support staff - Clearly defined authority matrices - Implementation of sound internal control environment with thorough understanding of risks (including fraud risks) and proper designation of powers and accountability.
9	<p>Strategic Risk</p> <p>Strategic Risk is the risk to earnings and capital due to incorrect and improper business decisions. It also refers to the unintentional risks that arise as a result of strategy development or execution.</p> <p>This risk encompasses the range from increased competition and innovation by competitors to losing market share due to new entrants</p>	<p>Following mitigating controls are in place:</p> <ul style="list-style-type: none"> - The quality customer service, offering product range for various categories of customers and focusing on brand equity. - The company also keeps on exploring new avenues for business opportunities and growth - Open to adopt innovations introduced in life insurance industry.

Stakeholders' Relationship and Engagement

How ALIFE identifies its stakeholders

ALIFE has categorized different types of stakeholders as follows.



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

Stakeholders' Relationship and Engagement

Stakeholders	Why they are important to ALIFE	Medium use for engagement process	Frequency
Regulator	As a matter of our principles, we want to stay compliant with all laws and regulations. We believe in having an active dialogue with regulatory authorities to resolve matters that affects insurance operations including tax matters.	- Statutory filings - Written correspondences including emails.	- Annually - Quarterly - As and when needed
Shareholders and investors	Our retail and institutional shareholders are the owners of the Company. Our prime objective is to safeguard their assets and maximize the returns on their investment. We believe that their engagement in decision making process increases their trust over the management of the Company.	- Annual general meeting - Extraordinary general meeting - Financial results - Website (Investors' relation section)	- Annually - Quarterly - As and when needed
Community	We are committed to making a difference in the communities where we work, live and serve our customers. ALIFE was involved in various CSR programs during the year.	- Community support Programs / events (CSR activities)	- Periodically
Environment	We recognize our duty of care with respect to the environment and consequently will maintain as far as is reasonably practicable, to undertake its activities in such a way as to minimize any impact to the environment, whilst conducting its business. ALIFE was involved in plantation drive, promoting paper less environment, water conservation awareness etc.	- Awareness drives	- Periodically

Investors' Relation

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

Investors' Grievance

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

In accordance with this, the Company has made available on its website all pertinent information regarding the Company, its directors, auditors, share registrars.

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

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

Following contact details are available of Company's website:

Name: Arslan Tahir

Designation: Company Secretary

Contact: +92 321 3892215

Email ID: investors@adamjeelife.com, arslan.tahir@adamjeelife.com

Sustainability and Corporate Social Responsibility (CSR)

Sustainability

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

Corporate Social Responsibility (CSR)

As part of one of Pakistan's leading conglomerates, Adamjee Life upholds a purpose-driven approach to business—where impact extends beyond financial performance. Our CSR framework is anchored in Nigehbaan, our dedicated platform that embodies our commitment to ethical responsibility, compassion, and inclusive progress.

At Adamjee Life, we embrace the challenge of surpassing expectations while contributing to the greater good

Through Nigehbaan, we design and execute initiatives that directly address critical societal needs, particularly within underserved communities. Nigehbaan is more than just a CSR platform; it embodies our enduring responsibility to act ethically and compassionately. By nurturing the emotional and humanitarian well-being of our organization, we ultimately enhance the quality of life for our employees, their families, and the wider community



Collaboration with Sindh Institute of Urology and Transplantation (SIUT) - 2025

As part of our ongoing healthcare-focused CSR efforts under the Nigehbaan Healthcare, Adamjee Life formalized its collaboration with SIUT through a Memorandum of Understanding (MoU). This partnership is centered on supporting essential diagnostic and treatment services for patients in critical need.

Through this collaboration, we reaffirm our commitment to improving access to quality healthcare and delivering meaningful impact within underserved communities.



Blood Donation Drive in Collaboration with Indus Hospital 2025

Healthcare Awareness sessions and Blood Donation Drive

We continued our collaboration with Indus Hospital under the Nigehbaan healthcare initiative. Following the signing of an MoU, the hospital conducted healthcare awareness sessions to educate and encourage employees on the benefits of blood donation and overall health and wellbeing. These sessions also initiated a blood donation drive, supporting the hospital's ongoing efforts in serving the community.

This recurring collaboration reflects our sustained commitment to promoting preventive Healthcare, raising awareness, and advancing community wellbeing through trusted and strategic partnerships.



Collaboration with Karachi Vocational Training Centre (KVTC) 2025

The Tables Have Turned

As part of our commitment to inclusive & diversity, Adamjee Life partnered with KVTC—an institution dedicated to providing vocational training to individuals with unique abilities to become self-sufficient contributors to society.

Through the workshop "The Tables Have Turned," participants showcased their creative talents while engaging directly with our employees by sharing their skills. The initiative fostered a meaningful exchange of learning and encouraged support for these young artisans, with teams actively participating and appreciating their work.



Sustainability and Corporate Social Responsibility (CSR)

Collaboration with Kiran Foundation 2025

An Initiative Towards Quality Education

Under the Nigehbaan CSR initiative, Adamjee Life partnered with Kiran Foundation to deliver a meaningful engagement centered on education, development, and community wellbeing.

The initiative brought together interactive learning experiences and recreational activities designed to foster emotional growth, creativity, and critical thinking among children. It also emphasized the role of mothers as key enablers of change, supporting a more holistic and inclusive approach to community development.

This collaboration highlights our commitment to advancing quality education and promoting sustainable, community-driven models that empower both children and their families.



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Directors' Profiles



Mr. Umer Mansha
Chairman

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



Mr. Muhammad Ali Zeb
Director

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



Mrs. Naz Mansha
Director

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



Mr. Imran Maqbool
Director

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

Directors' Profiles



Mr. S.M. Jawed
Director

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

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

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



Mr. Ismail Arif Rafi
Director

Mr. Ismail Arif Rafi is an accomplished business leader with over 27 years of experience spanning textiles, asset management, and consumer goods. He is currently the CEO of I&H Services, where he oversees the distribution of cinema equipment, concessions, and a successful tortilla brand available in leading supermarket chains across Pakistan.

He previously served as Executive Director at Amin Textile Mills (Pvt.) Ltd., leading procurement and sales operations, and was a Board Member at MCB Asset Management, contributing to financial strategy and governance.

Mr. Rafi holds an MBA from the Lahore University of Management Sciences (LUMS) and a Bachelor's degree in Finance from Babson College, USA. His early education was completed at the Lahore American School.

Known for his entrepreneurial drive and strategic insight, he maintains active interests in equity investments and new business ventures, both locally and internationally.



Fahad Iqbal
Director

Fahad Iqbal, Group Chief Executive Officer of Ravi Global, is a seasoned industrial leader with over two decades of experience across the automotive, engineering and agriculture sectors, recognized for driving innovation, sustainability and diversified growth within Pakistan's industrial landscape. An alumnus of Aitchison College and Columbia University with degrees in Mechanical and Manufacturing Engineering, he combines technical expertise with strategic vision, reflected in his leadership roles across various industrial platforms and national vocational initiatives. His commitment to social impact is evident through the development of vocational training programs aimed at empowering future generations with skills for economic advancement. Internationally acknowledged for his contributions, he serves as Honorary Consul of Italy in Lahore and has been awarded the Order of the Star by the Italian Republic, demonstrating his role in strengthening global partnerships while contributing to national industrial progress.

Chairman's Review

چیئر مین کا جائزہ

It gives me pleasure to present this review report to the stakeholders of Adamjee Life Assurance Company Limited (the "Company") on behalf of the Board of Directors (the "Board") in respect of the overall performance of the Board and the effectiveness of its role in achieving the strategic and operational objectives of the Company. This report encompasses the collective efforts and contributions of the Board during the financial year ended December 31, 2025, together with an overview of the evolving economic and insurance sector landscape in Pakistan.

The year 2025 remained a period of macroeconomic adjustment for Pakistan, marked by easing inflationary pressure, gradual monetary easing and improving external account indicators. Exchange rate stability was also observed during the year, contributing to improved business confidence and gradual economic stabilization. Despite ongoing economic challenges including fiscal constraints and geopolitical uncertainty, the insurance sector maintained its role as a vital pillar of financial stability and risk mitigation within the broader financial ecosystem.

Despite regulatory and taxation challenges, the industry continues to offer significant growth potential due to low insurance penetration levels in Pakistan. This structural gap presents substantial long term opportunities for expansion through product innovation, financial inclusion initiatives, and enhanced distribution channels.

During the year under review, Adamjee Life achieved remarkable growth in gross written premium reflecting maturity of brand and distribution approach and further highlights operational discipline and improved business mix. The Company continued to strengthen its market position through strategic initiatives and disciplined underwriting practices.

The Company's commitment to quality, governance, and risk management was further reinforced through the PACRA rating upgrade -, as well as continued adherence to internationally recognized standards, including ISO 9001 and ISO 27001 (2022 certifications). These achievements underscore the Company's focus on operational excellence, information security, and customer-centric service delivery.

In line with evolving market dynamics, the Company will continue to invest in digital transformation, including the introduction and enhancement of digital platforms aimed at improving customer experience, operational efficiency, and distribution effectiveness. The launch of new and planned innovative products will further support business growth and diversification.

Adamjee Life continued to operate within a robust corporate governance framework, fully aligned with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Code of Corporate Governance for Insurers, 2016. The Board remains committed to upholding the highest standards of governance, transparency, and ethical conduct, ensuring that the Company's strategic direction remains consistent with its long-term vision and stakeholders' interests.

A structured and systematic evaluation mechanism remained in place throughout the year, enabling the Board to periodically review the Company's objectives, strategic priorities, financial performance, and risk management framework. The Board and its committees continued to function effectively, providing strategic guidance, oversight, and prudent decision-making to support sustainable growth and operational resilience.

On behalf of the Board, I would like to express sincere appreciation to the management and employees of Adamjee Life for their dedication, professionalism, and continued efforts. The Board also acknowledges the valuable support of regulators, vendors, business partners, and shareholders, whose trust and confidence remain integral to the Company's continued progress.

Dated: February 17, 2026

Umer Mansha
Umer Mansha
Chairman

ابھرتی ہوئی مارکیٹ کی حرکیات کے مطابق، کمپنی ڈیجیٹل تبدیلی میں سرمایہ کاری جاری رکھے گی، جس میں ڈیجیٹل پلیٹ فارمز کا تعارف اور اضافہ شامل ہے جس کا مقصد کسٹمر کے تجربے، آپریشنل کارکردگی اور تقسیم کی تاثیر کو بہتر بنانا ہے۔ نئی اور منصوبہ بند اختراعی مصنوعات کے اجراء سے کاروبار کی ترقی اور تنوع میں مزید مدد ملے گی۔

آدم جی لائف نے ایک مضبوط کارپوریٹ گورننس فریم ورک کے اندر کام کرنا جاری رکھا، کمپنیز ایکٹ، 2017، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، اور کوڈ آف کارپوریٹ گورننس برائے انشورنس، 2016 کے ساتھ مکمل طور پر ہم آہنگ۔ اخلاقی طرز عمل، اس بات کو یقینی بناتے ہوئے کہ کمپنی کی سٹریٹیجک سمت اس کے طویل مدتی وژن اور اسٹیک ہولڈرز کے مفادات کے ساتھ مطابقت رکھتی ہے۔

ایک منظم اور منظم تشخیصی طریقہ کار سال بھر موجود رہا، جس سے بورڈ کو وقتاً فوقتاً کمپنی کے مقاصد، اسٹریٹیجک ترجیحات، مالی کارکردگی، اور رسک مینجمنٹ فریم ورک کا جائزہ لینے کے قابل بناتا ہے۔ بورڈ اور اس کی کمیٹیاں مؤثر طریقے سے کام کرتی رہیں، پائیدار ترقی اور آپریشنل لچک کو سپورٹ کرنے کے لیے اسٹریٹیجک رہنمائی، نگرانی اور دانشمندانہ فیصلہ سازی فراہم کرتی ہیں۔

بورڈ کی جانب سے، میں آدم جی لائف کی انتظامیہ اور ملازمین کو ان کی لگن، پیشہ ورانہ مہارت اور مسلسل کوششوں کے لیے تہہ دل سے خراج تحسین پیش کرنا چاہتا ہوں۔ بورڈ ریگولیٹرز، وینڈرز، کاروباری شراکت داروں، اور شیئر ہولڈرز کے قابل قدر تعاون کا بھی اعتراف کرتا ہے، جن کا اعتماد اور اعتماد کمپنی کی مسلسل پیشرفت کے لیے لازمی ہے۔

عمر منشا

چیئر مین

تاریخ: 17 فروری 2026

چیز مین کا جائزہ

مجھے یہ جائزہ رپورٹ آدم جی لائف انشورنس کمپنی لمیٹڈ ("کمپنی") کے اسٹیک ہولڈرز کے سامنے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں اس کے کردار کی موثریت کے حوالے سے پیش کرتے ہوئے خوش محسوس ہو رہی ہے یہ رپورٹ اس مالی سال کے دوران، جو 31 دسمبر 2025 کو ختم ہوا، بورڈ کی جانب سے کیے گئے موثر اقدامات کی تفصیلات پر مشتمل ہے، اور ساتھ ہی انشورنس سیکٹر کا ایک جامع جائزہ بھی پیش کرتی ہے۔

سال 2025 پاکستان کے لیے میکرو اکنامک ایڈجسٹمنٹ کا دور رہا، جس کی نمایاں خصوصیات میں افراط زر (مہنگائی) کے دباؤ میں کمی، مانیٹری پالیسی میں بتدریج نرمی اور بیرونی کھاتوں کے اشاریوں میں بہتری شامل رہی۔ سال کے دوران شرح مبادلہ میں استحکام بھی دیکھا گیا، جس نے کاروباری اعتماد کی بحالی اور بتدریج معاشی استحکام میں اہم کردار ادا کیا۔ مالیاتی حدود اور جغرافیائی سیاسی غیر یقینی صورتحال جیسے جاری معاشی چیلنجز کے باوجود، انشورنس سیکٹر نے وسیع تر مالیاتی نظام کے اندر مالی استحکام اور خطرات کے ازالے کے ایک اہم ستون کے طور پر اپنا کردار برقرار رکھا۔

ریگولیشن اور ٹیکسیشن چیلنجز کے باوجود، پاکستان میں بیمہ کی رسائی کم ہونے کی وجہ سے یہ صنعت نمایاں ترقی کی صلاحیت فراہم کر رہی ہے۔ یہ ساختی فرق مصنوعات کی جدت، مالی شمولیت کے اقدامات، اور بہتر تقسیمی چینلز کے ذریعے توسیع کے خاطر خواہ طویل مدتی مواقع پیش کرتا ہے۔

زیر جائزہ سال کے دوران، آدم جی لائف نے مجموعی تحریری پریمیم میں نمایاں نمو حاصل کی جو برانڈ اور ڈسٹری بیوشن کے نقطہ نظر کی چیلنج کی عکاسی کرتی ہے اور آپریشنل ڈسپن اور بہتر کاروباری مکس کو مزید نمایاں کرتی ہے۔ کمپنی نے اسٹریٹجک اقدامات اور انڈر رائٹنگ کے نظم و ضبط کے ذریعے اپنی مارکیٹ کی پوزیشن کو مستحکم کرنا جاری رکھا۔

پی اے سی آر اے ریٹنگ اپ گریڈ کے ذریعے معیار، نظم و نسق اور رسک مینجمنٹ کے تئیں کمپنی کی وابستگی کو مزید تقویت ملی۔ اور ساتھ ہی بین الاقوامی سطح پر تسلیم شدہ معیارات کی مسلسل پابندی، بشمول ISO 9001 اور ISO 27001 (2022) سرٹیفیکیشن)۔ یہ کامیابیاں کمپنی کی آپریشنل فضیلت، معلومات کی حفاظت، اور کسٹمر سینٹرک سروس کی فراہمی پر توجہ مرکوز کرتی ہیں۔

Directors' Report

The Directors of Adamjee Life Assurance Company Limited take pleasure in presenting their Annual Report, together with the Audited Financial Statements of the Company, for the year ended December 31, 2025.

Financial Highlights

The highlights for the year under review are as follows:

	31 December 2025	31 December 2024
	Audited	Audited
Rupees in '000		
Gross Premium	36,412,679	30,968,830
Net Premium	35,429,608	30,284,691
Investment Income	21,001,385	26,771,527
Net Benefits paid to and reserved for policyholders	48,863,563	49,642,838
Acquisition & other operating expenses	5,422,646	4,877,141
Profit before tax	2,144,784	2,536,239
Profit after tax	1,314,311	1,554,305
Statutory Fund balance	121,977,200	104,946,390
Shareholders' Equity	6,334,002	5,432,729
Rupees		
Earnings Per Share (Rupees):	5.01	5.92

Performance Review

The year 2025 was characterized by continued macroeconomic adjustment in Pakistan, marked by easing inflationary pressures, gradual monetary easing, improving external account indicators, and cautious optimism driven by structural reforms and policy discipline. While challenges such as fiscal constraints, energy costs, and geopolitical uncertainties persisted, overall economic sentiment showed relative stabilization compared to previous years.

Against this backdrop, the insurance sector continued to demonstrate resilience, supported by regulatory oversight, improving capital markets, and growing awareness of financial protection products. The Company's performance during the year reflected its prudent underwriting practices, disciplined cost management, and diversified investment strategy, enabling it to navigate a competitive and evolving operating environment.

During the year, gross premium registered 17.6% growth compared to the previous year. Investment income was influenced by the decreasing interest rate environment partially compensated with robust capital market performance, resulting in net reduction of 21.6%. Consequently, benefits paid and reserved for policyholders recorded a decrease of 1.6%.

Against combined effect of inflation and business growth, the Company's acquisition & other operating expense registered an increase of 11.2% which reflects Company's discipline towards cost management.

Directors' Report

Profit before tax amounted to Rs. 2,144.78 million, while profit after tax stood at Rs. 1,314.31 million, reflecting around 15.2% decrease compared to the previous year due to factors mentioned above in addition to the variation in product mix inclined more towards single premium business.

New regular premium business from the bancassurance segment recorded a remarkable growth of 57.61% during the year reflecting Company's distribution strength & reach in bancassurance.

The Company's Direct distribution channel is more or less at same level as it was in 2024 in line with the Company's continued focus to improve quality of business, policy compliance and balancing distribution cost.

Total new regular premium business amounted to Rs. 4,020 million registering growth of 43%.

Business from the group life segment stood at Rs. 1,427 million, reflecting 29.10% growth during the year.

Single premium policies contributed Rs. 20,847 million in gross premium, reflecting 22% growth.

Renewal premiums amounted to Rs. 10,185 million which is 1% more than the last year net-off increasing maturity commitments paid off by the Company.

The returns and policyholders' cash values improved across funds invested predominantly in debt and money market instruments. The average return earned on all funds combined during the year was 17.32% p.a.

Regulatory & Accounting Developments

During the year, developments relating to active court petitions on provincial sales tax on life and health insurance remained under review at the industry level with close co-ordination with the legal counsels. The auditors have included an 'emphasis of matter' paragraph in their audit report owing to its significance.

The Company continued its phased implementation of IFRS 17 in line with the roadmap prescribed by the SECP. During 2025, the Company successfully completed Dry Run 1, marking the completion of a key implementation phase, and progressed towards subsequent dry runs and parallel reporting readiness. The implementation remains a major strategic initiative, requiring significant system enhancements and specialized actuarial and technical resources.

Window Takaful Operations

The gross contribution generated from Window Takaful Operations during the year amounted to Rs. 6,097 million (2024: Rs. 4,259 million). The profit before tax reported for the year is Rs. 479.34 million, reflecting 13.5% growth compared to last year. The new business mix of takaful posted growth of 57% (2024: 26%).

Surplus Transfer

During the year, a surplus of Rs. 1,250 million was transferred from the statutory funds to the shareholders' fund, based on the advice of the Appointed Actuary of the Company.

Future Outlook

Pakistan's economy continues its journey of structural reform, with improving macroeconomic indicators expected to support higher liquidity and disposable income over the medium term. These developments are anticipated to create greater demand for financial protection and long term savings products.

The Company remains focused on product innovation, digital enablement, customer experience enhancement, and distribution expansion. Declining interest rates in the coming periods may pose challenges for investment returns; however, the Company is actively adjusting its investment strategy to mitigate associated risks.

The final stages of IFRS-17 implementation will remain a key focus area in 2026, requiring sustained technical effort and resource allocation. The Company has adequately budgeted for this initiative and remains committed to timely compliance.

The Company continues to be adequately capitalized, with all statutory funds maintaining solvency margins well above regulatory requirements.

Earnings Per Share

The basic and diluted earnings per share for the year 2025 were Rs. 5.01 as compared to Rs. 5.92 in 2024.

Dividends to Shareholders

The Board of Directors has recommended a final cash dividend of Rs. 1.50 per share, i.e. 15%. This is in addition to the interim cash dividend of Rs. 1 per share (10%), making a total cash dividend of Rs. 2.5 per share, i.e. 25% for the year 2025, subject to approval of shareholders at the Annual General Meeting to be held on April 27th 2026.

Insurer Financial Strength Rating (IFS)

The Pakistan Credit Rating Agency Limited (PACRA) carried out its annual review during August 2025 and enhanced the Company's IFS rating at AA with a Stable Outlook.

Awards and Accolades

During the year, Adamjee Life Assurance Co. Ltd. was recognized as the Fastest Growing Brand at the 16th Brand of the Year Awards – Northern Edition 2025, reflecting the Company's sustained growth, increasing customer trust, and continued focus on innovation within Pakistan's life insurance industry.

In addition, the Company was awarded a Certificate of Merit at the 40th Corporate Excellence Awards 2025, organized by the Management Association of Pakistan. This recognition marked the Company's first participation in the Corporate Excellence Awards and acknowledged its commitment to organizational excellence, sound governance practices, and customer-focused performance.

In addition, the Company continues to maintain its ISO 9001:2015 (Quality Management System) and ISO 27001:2022 (Information Security Management System) certifications, reinforcing its commitment to operational excellence, customer service quality, and robust information security controls across all business functions.

Directors' Report

Code of Conduct & Business Ethics

The Company continues to uphold a comprehensive Code of Conduct, aligned with its Vision, Mission, and Core Values, and applicable to directors, management, employees, and stakeholders.

Committees Oversight & Governance Strengthening

The Board Committees, including the Underwriting & Reinsurance Committee, Risk Management & Compliance Committee and Claims Committee, continued to play an active oversight role during the year. These committees ensured disciplined underwriting standards, prudent risk monitoring, transparent claims settlement practices, and alignment of business strategy with regulatory expectations and stakeholder interests. The strengthened governance structure remains central to the Company's sustainable growth framework.

Corporate Social Responsibility (CSR)

During the year, the Company continued its CSR initiatives under Nigehbaan, focusing on education, healthcare, inclusion, and environmental sustainability. Key CSR activities undertaken during 2025 included:

- Observed World Down Syndrome Day by hosting individuals from KVTC (Karachi Vocational Training Centre) at the Company's Head Office, reinforcing inclusion, diversity, and empowerment.
- Collaborated with Indus Hospital to support healthcare delivery, including the conduct of blood donation drives.
- Entered into a Memorandum of Understanding (MoU) with SIUT under the Nigehbaan program to support healthcare initiatives and improve access to quality medical services.
- Launched a nationwide, Independence Day-themed craft-based competition titled "Jahaan Hai... Tou Jaan Hai" for school students (Classes 1-10) across Pakistan, promoting environmental responsibility under the theme Reduce, Reuse, Recycle.
- Marked World Children's Day at Kiran Foundation's DCTO Campus and Hunza Campus through learning-led activities focused on education, safety, and self-expression.

Through these initiatives and recognitions, the Company remained focused on strengthening organizational excellence, delivering sustainable social impact, and contributing positively to the communities it serves. Further during 2025, the Company further integrated Environmental, Social, and Governance (ESG) considerations into its strategic and operational framework. The Company continues to promote responsible investing practices, digitalization to reduce paper consumption, inclusive employment practices, and enhanced governance disclosures. ESG integration remains a forward-looking strategic priority aligned with global sustainability standards and stakeholder expectations.

Board Evaluation Mechanism

In compliance with the Code of Corporate Governance, the Board and its committees underwent an annual performance evaluation during the year.

Directors' Compensation

Pursuant to the Company's Articles of Association, the Board of Directors periodically determines the remuneration of Non-Executive and Independent Directors under an approved Board Remuneration Policy. Except for meeting fees paid for attendance at Board and Board Committee meetings in line with the policy, no other compensation is extended to Non-Executive Directors. The related remuneration and meeting costs have been duly disclosed in Note 39 to the financial statements.

Compliance Statement

The Company has complied with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Code of Corporate Governance for Insurers, 2016, and the PSX Rule Book. A Statement of Compliance is.

Board of Directors

The composition of the Board as at December 31, 2025 was as follows:

Name	Category
Mr. Umer Mansha	Non-Executive Director
Mrs. Naz Mansha	Female Director
Mr. Shaikh Muhammad Jawed	Non-Executive Director
Mr. Imran Maqbool	Non-Executive Director
Mr. Muhammad Ali Zeb	Non-Executive Director
Mr. Ismail Arif Rafi	Independent Director
Mr. Shahmeer Khalid Butt	Independent Director (Resigned)

Directors' Report

Directors' Attendance

Directors' Participation/ Attendance in various meetings including Board, its Committees and Annual General Meeting (AGM) held during 2025 is presented in below table:

		Board Meeting	BAC	EHRRNC	BIC	AGM
	No. of Meeting held During 2025	5	4	2	4	1
Directors	Mr. Umer Mansha	5		2		1
	Mr. Shaikh Muhammad Jawed	5	4	2	4	1
	Mrs. Naz Mansha	5		2		
	Mr. Muhammad Ali Zeb	4	4		4	1
	Mr. Imran Maqbool	5			4	1
	Mr. Ismail Arif Rafi	3	2	1		
	Mr. Shahmeer Khalid Butt	2	2	1		1
Management	Mr. Samad Ali Naqvi		4			1
	Mr. Muhammad Amir					
	Ms. Zehra Faiz			2		
	Mr. Jalal Meghani	5	4		4	1
	Mr. Amin Nizar Ali				4	
	Mr. Manzar Mushtaq	5	4	2	4	1

BAC: Board Audit Committee

EHRRNC: Ethics, Human resource, Remuneration and Nomination Committee

BIC: Board Investment Committee

Internal Audit, Risk Management & Controls

The Internal Audit function continued to operate independently under the Board Audit Committee. The Company maintained a robust risk management framework to identify, assess, and mitigate key risks.

Material Changes

There were no material changes during the year except the change in the Company Secretary and resignation of an Independent Director.

Holding Company

The Company is a subsidiary of Adamjee Insurance Company Limited.

Auditors

The retiring auditors M/s Riaz Ahmed & Co., Chartered Accountants, have expressed their willingness to continue, and the Board has recommended their appointment for the year 2026.

Acknowledgement

The Directors wish to express their sincere appreciation to the management, employees, regulators, shareholders, and business partners for their continued support and confidence.



Umer Mansha
Chairman

Date: February 17, 2026



Manzar Mushtaq
Chief Executive Officer

ڈائریکٹرز کا جائزہ

آڈیٹرز

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

اعتراف

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

منظر مشتاق
چیف ایگزیکٹو آفسر

عمر منشاء
چئیرمین

17 فروری 2026

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ڈائریکٹرز کا جائزہ

اجلاس کی قسم	بورڈ میٹنگ	BAC	EHRRNC	BIC	AGM
مینیجمنٹ					
مستر سمعد علی نقوی	-	4	-	-	
مستر محمد عامر	-	-	-	-	-
میسرز زہرا فیض	-	-	2	-	-
مستر جلال میگھانی	5	4	-	4	1
مستر امین نزار علی	-	-	-	4	-
مستر منزر مشتاق	5	4	2	4	1

مستر شیخ محمد جاوید	نان ایگزیکٹو ڈائریکٹر
مستر عمران مقبول	نان ایگزیکٹو ڈائریکٹر
مستر محمد علی زیب	نان ایگزیکٹو ڈائریکٹر
مستر اسماعیل عارف رانی	آزاد ڈائریکٹر
مستر شاہ میر خالد بیٹ	آزاد ڈائریکٹر (مستغنی)

ڈائریکٹرز کی شرکت / حاضری

یہ ٹیبل 2025 کے دوران منعقدہ بورڈ اجلاس، اس کی کمیٹیوں، اور سالانہ جنرل اجلاس (AGM) میں ڈائریکٹرز اور مینیجمنٹ کی شرکت / حاضری کو واضح کرتا ہے۔

بورڈ آڈٹ کمیٹی (BAC)
اخلاقیات، انسانی وسائل، معاوضہ اور نامزدگی کمیٹی (EHRRNC)
بورڈ انویسٹمنٹ کمیٹی (BIC)

انٹرنل آڈٹ، رسک مینیجمنٹ اور کنٹرولز

انٹرنل آڈٹ کا شعبہ بورڈ آڈٹ کمیٹی کے تحت آزادانہ طور پر کام کرتا رہا۔ کمیٹی نے اہم خطرات کی نشاندہی، جائزہ لینے اور ان کو کم کرنے کے لیے ایک مضبوط رسک مینیجمنٹ فریم ورک برقرار رکھا۔

اہم تبدیلیاں

سال کے دوران کوئی اہم تبدیلی نہیں ہوئی سوائے کمپنی سیکریٹری کی تبدیلی اور ایک آزاد ڈائریکٹر کے استعفیے کے۔

ہولڈنگ کمپنی

یہ کمپنی آدھی انشورنس کمپنی لمیٹڈ کی ذیلی کمپنی ہے۔

اجلاس کی قسم	بورڈ میٹنگ	BAC	EHRRNC	BIC	AGM
سال 2025 میں منعقدہ اجلاسوں کی تعداد	5	4	2	4	1
ڈائریکٹرز					
مسنز عمر منشاء	5	-	02	-	1
مستر شیخ محمد جاوید	5	4	2	4	1
میسرز ناز منشاء	5	-	2	-	1
مستر محمد علی زیب	4	4		4	1
مستر عمران مقبول	5	-	-	4	1
مستر اسماعیل عارف رانی	3	2	1		
مستر شاہ میر خالد بیٹ	2	2	1	-	1

ڈائریکٹرز کا جائزہ

اس کے علاوہ، کمپنی اپنے ISO 9001:2015 کوالٹی مینجمنٹ سسٹم اور ISO 27001:2022 انفارمیشن سیکورٹی مینجمنٹ سسٹم سرٹیفیکیشنز کو برقرار رکھتی ہے، جس سے آپریشنل ایکسیلنس، کسٹمر سروس کے معیار، اور تمام کاروباری افعال میں مضبوط انفارمیشن سیکورٹی کنٹرولز کے عزم کو تقویت ملتی ہے۔

کاروباری اخلاقیات اور ضابطہ اخلاق

کمپنی ایک جامع ضابطہ اخلاق کو برقرار رکھتی ہے، جو اس کے وژن، مشن، اور بنیادی اقدار کے ساتھ منسلک ہے، اور جو ڈائریکٹرز، انتظامیہ، ملازمین، اور اسٹیک ہولڈرز پر لاگو ہوتا ہے۔

کارپوریٹ سماجی ذمہ داریاں (CSR)

سال کے دوران کمپنی نے نگہبان کے تحت اپنی CSR کارپوریٹ سماجی ذمہ داری کی سرگرمیاں جاری رکھیں، جن میں تعلیم، صحت، شمولیت اور ماحولیاتی پائیداری پر توجہ دی گئی۔ سال 2025 کے دوران کی جانے والی اہم CSR سرگرمیوں میں شامل ہیں:

- ورلڈ ڈاؤن سنڈروم ڈے منایا گیا جس کے موقع پر KVTC (کراچی وکیشنل ٹریڈنگ سینٹر) سے وابستہ افراد کو کمپنی کے ہیڈ آفس میں مدعو کیا گیا، جس سے شمولیت، تنوع اور بااختیار بنانے کے عزم کو تقویت ملی۔
- انڈس ہسپتال کے ساتھ تعاون کیا گیا تاکہ صحت کی سہولیات کی فراہمی میں مدد دی جاسکے، جس میں بلڈ ڈونیشن ڈرائیو (خون عطیہ کرنے کی مہمات) کا انعقاد بھی شامل تھا۔

- نگہبان پروگرام کے تحت SIUT کے ساتھ ایک میمورنڈم آف انڈرسٹینڈنگ (MoU) پر دستخط کیے گئے تاکہ صحت سے متعلق اقدامات کی حمایت کی جاسکے اور معیاری طبی خدمات تک رسائی کو بہتر بنایا جاسکے۔

- ملک بھر میں یوم آزادی کے موضوع پر مبنی ایک کرافٹ مقابلہ شروع کیا گیا جس کا عنوان تھا

”Jahaan Hai... Tou Jaan Hai“۔ یہ مقابلہ پاکستان بھر کے اسکولوں کے طلبہ (کلاس 10 تا 1) کے لیے تھا، جس کا مقصد

Reduce, Reuse, Recycle کے موضوع کے تحت ماحولیاتی ذمہ داری کو فروغ دینا تھا۔

- ورلڈ چلڈر نڈے کے موقع پر کیرن فاؤنڈیشن کے DCTO کیپس اور ہنزہ کیپس میں تعلیمی سرگرمیوں کے ذریعے بچوں کی تعلیم، حفاظت اور اظہار رائے پر مبنی پروگرام منعقد کیے گئے۔

ان اقدامات اور اعزازات کے ذریعے کمپنی نے تنظیمی بہتری کو مضبوط بنانے، پائیدار سماجی اثرات پیدا کرنے اور جن کیونٹری کی وہ خدمت کرتی ہے ان میں مثبت کردار ادا کرنے پر توجہ برقرار رکھی۔

مزید برآں، 2025 کے دوران کمپنی نے اپنے اسٹریٹجک اور عملیاتی فریم ورک میں (ESG) عوامل کو مزید شامل کیا۔ کمپنی ذمہ دارانہ سرمایہ کاری کے طریقوں کو فروغ دینے، کاغذ کے استعمال کو کم کرنے کے لیے ڈیجیٹلائزیشن کو بڑھانے، جامع روزگار کے طریقوں کو اپنانے اور بہتر گورننس ڈسکلوزرز فراہم کرنے کے لیے کوشاں ہے۔

ESG کا انضمام مستقبل پر مبنی ایک اسٹریٹجک ترجیح ہے جو عالمی پائیداری کے معیارات اور اسٹیک ہولڈرز کی توقعات سے ہم آہنگ ہے۔

بورڈ ایویلیویشن میکانزم

کارپوریٹ گورننس کے ضابطے کی تعمیل میں، سال کے دوران بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی سالانہ کارکردگی کا جائزہ لیا گیا۔

ڈائریکٹرز کا معاوضہ

کمپنی کے آرٹیکلز کے مطابق، بورڈ آف ڈائریکٹرز کو یہ اختیار حاصل ہے کہ وہ وقتاً فوقتاً نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کے معاوضے کا تعین کرے۔ بورڈ آف ڈائریکٹرز نے ایک "بورڈ ریٹرنیشن پالیسی" کی منظوری دی ہے۔ کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو بورڈ میٹنگز میں شرکت کے لیے فیس کے علاوہ کوئی اضافی معاوضہ فراہم نہیں کرتی، اور یہ فیس کمپنی کی پالیسی کے عین مطابق ہے۔ بورڈ یا بورڈ کمیٹی میٹنگز میں شرکت پر ہونے والے اخراجات سمیت تمام معاوضے مالیاتی گوشواروں کے نوٹ 39 میں واضح طور پر بیان کیے گئے ہیں۔

کمپلائنس اسٹیٹمنٹ

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

بورڈ آف ڈائریکٹرز

31 دسمبر 2025 تک، بورڈ آف ڈائریکٹرز درج ذیل اراکین پر مشتمل ہے:

نام	عہدہ
مسٹر عمر منشاہ	نان ایگزیکٹو ڈائریکٹر
مسز ناز منشاہ	خاتون ڈائریکٹر

ڈائریکٹرز کا جائزہ

ڈیٹ اور منی مارکیٹ انٹرنیشنل میں سرمایہ کاری کی بدولت پالیسی ہولڈرز کی کیش ویلوز اور منافع میں بہتری آئی۔ سال کے دوران تمام فنڈز پر حاصل ہونے والا اوسط منافع 17.32 فیصد سالانہ رہا۔

ریگولیشن اور اکاؤنٹنگ پیش رفت

سال کے دوران، لائف اور ہیلتھ انشورنس پر صوبائی سیلز ٹیکس سے متعلق زیر التوا عدالتی درخواستوں کا انڈسٹری کی سطح پر قانونی مشیروں کے تعاون سے جائزہ لیا گیا۔ آڈیٹرز نے اس معاملے کی اہمیت کے پیش نظر اپنی آڈٹ رپورٹ میں 'ایکسٹرنس آف میٹریا گراف شامل کیا ہے۔

کمپنی نے SECP کے مقرر کردہ روڈ میپ کے مطابق IFRS 17 کے مرحلہ وار نفاذ کو جاری رکھا۔ سال 2025 کے دوران، کمپنی نے کامیابی کے ساتھ 'Dry Run 1' مکمل کیا، جو نفاذ کے ایک اہم مرحلے کی تکمیل ہے، اور مزید ٹیسٹنگ اور متوازی رپورٹنگ کی تیاری کی طرف پیش قدمی کی۔ اس کا نفاذ ایک اہم اسٹریٹجک اقدام ہے، جس کے لیے سسٹم میں بڑی بہتری اور ماہر ایکنچوریل و ٹیکنیکی وسائل کی ضرورت ہے۔

ونڈو تکفل آپریشنز

ونڈو تکفل آپریشنز کے تحت مجموعی کٹری بیوشن 6097 ارب روپے تک پہنچ گیا، جو 2024 میں 4.259 ارب روپے تھا۔ ٹیکس سے قبل منافع 13.5 فیصد بڑھ کر 479.34 ملین روپے ہو گیا۔ تکفل کے نئے کاروبار کا تناسب 57 فیصد تک پہنچ گیا، جو پچھلے سال 26 فیصد تھا۔

سرپلس ٹرانسفر

سال کے دوران، 1250 ملین روپے کی اضافی رقم سٹیچوٹری فنڈز سے حصص داران کے فنڈ میں منتقل کی گئی۔ رقم کی یہ منتقلی کمپنی کی طرف سے مقرر کئے گئے ایکچوٹری کے مشورے کی بنیاد پر کی گئی۔

آئندہ منظر نامہ

پاکستان کی معیشت ڈھانچے جاتی اصلاحات کے سفر پر گامزن ہے، اور توقع ہے کہ بہتر ہوتے ہوئے میکرو اکنامک اشاریے درمیانی مدت میں مارکیٹ میں نقد رقم کی دستیابی اور لوگوں کی خرچ کرنے کی سکت میں اضافے کا سبب بنیں گے۔ ان پیش رفتوں کے نتیجے میں مالیاتی تحفظ اور طویل مدتی بچت کی مصنوعات کی طلب میں اضافے کی توقع ہے۔

کمپنی کی توجہ مصنوعات میں جدت، ڈیجیٹل سہولت کاری، صارفین کے تجربے کو بہتر بنانے اور تقسیم کاری کے دائرہ کار کو وسعت دینے پر مرکوز ہے۔ آنے والے وقت میں شرح سود میں کمی سرمایہ کاری پر حاصل ہونے والے منافع کے لیے چیلنجز پیدا کر سکتی ہے، تاہم، کمپنی ان خطرات کو کم کرنے کے لیے اپنی سرمایہ کاری کی حکمت عملی میں سرگرمی سے تبدیلیاں لارہی ہے۔

سال 2026 میں IFRS-17 کے نفاذ کے آخری مراحل کمپنی کی توجہ کا مرکز رہیں گے، جس کے لیے مسلسل ٹیکنیکی کوششوں اور وسائل کی ضرورت ہوگی۔ کمپنی نے اس اقدام کے لیے مناسب بجٹ مختص کیا ہے اور وہ بروقت تعمیل کے لیے پرعزم ہے۔

کمپنی کے پاس سرمایہ مناسب مقدار میں موجود ہے، اور تمام قانونی فنڈز (statutory funds) میں سالوینسی مارجن ریگولیشن تقاضوں سے کافی حد تک اوپر برقرار ہیں۔

فی شیئر آمدنی

سال 2025 کے لیے بنیادی اور کم شدہ فی شیئر آمدنی 5.01 روپے رہی، جو 2024 میں 5.92 روپے تھی۔

حصہ داروں کو ڈیویڈنڈ کی ادائیگی

بورڈ آف ڈائریکٹرز نے 1.50 روپے فی حصص یعنی 15 فیصد کے حتمی نقد منافع کی سفارش کی ہے۔ یہ روپے کے عبوری نقد منافع کے علاوہ ہے۔ 1 فی حصص (10 فیصد)، 2.5 روپے فی حصص کا کل کیش ڈیویڈنڈ بنانا ہے، یعنی سال 2025 کے لیے 25 فیصد، 27 اپریل 2026 کو ہونے والی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط۔

انشورر فنانشل اسٹریٹجی ریٹنگ (IFS) ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے اگست 2025 کے دوران اپنا سالانہ جائزہ لیا اور ایک مستحکم آؤٹ لک کے ساتھ AA پر کمپنی کی IFS ریٹنگ کو بڑھایا۔

ایوارڈز اور اعزازات

سال کے دوران، آدم جی لائف انشورنس کمپنی لمیٹڈ کو 16 ویں برانڈ آف دی ایئر ایوارڈز - ناردرن ایڈیشن 2025 میں سب سے تیزی سے ترقی کرنے والے برانڈ کے طور پر تسلیم کیا گیا، جو کمپنی کی مسلسل ترقی، صارفین کے اعتماد میں اضافہ، اور پاکستان کی لائف انشورنس انڈسٹری میں جدت پر مسلسل توجہ کو ظاہر کرتا ہے۔

اس کے علاوہ، کمپنی کو بینجمنٹ ایسوسی ایشن آف پاکستان کے زیر اہتمام 40 ویں کارپوریٹ ایگزیکیوٹو ایوارڈز 2025 میں میرٹ کا سرٹیفکیٹ دیا گیا۔ اس پہچان نے کارپوریٹ ایگزیکیوٹو ایوارڈز میں کمپنی کی پہلی شرکت کو نشان زد کیا اور تنظیمی فضیلت، اچھی حکمرانی کے طریقوں، اور کسٹمر پر مرکوز کارکردگی کے لیے اس کی وابستگی کا اعتراف کیا۔

ڈائریکٹرز کا جائزہ

آدم جی لائف ایشرنس کمپنی لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی امور کے نمایاں پہلو:

زیر نظر سال کی جھلکیاں حسب ذیل ہیں:

	31 دسمبر 2025	31 دسمبر 2024
	آڈٹ شدہ	آڈٹ شدہ
	ہزار روپے میں	ہزار روپے میں
گراس پریمیم	36,412,679	30,968,830
نیٹ پریمیم	35,429,608	30,284,691
سرمایہ کاری سے آمدنی	21,001,385	26,771,527
پالیسی ہولڈرز کو ادا شدہ اور مختص شدہ فنڈز	48,863,563	49,642,838
حصول اور دیگر آپریٹنگ اخراجات	5,422,646	4,877,141
قبل از ٹیکس منافع	2,144,784	2,536,239
بعد از ٹیکس منافع	1,314,311	1,554,305
اسٹیچوٹری فنڈ	121,977,200	104,946,390
حصص داران کی ایکویٹی	6,334,002	5,432,729
	روپے میں	روپے میں
فی حصص آمدنی	5.01	5.92

کارکردگی کا جائزہ

سال 2025 پاکستان میں مسلسل میکرو اکنامک ایڈجسٹمنٹ کا سال رہا، جس کی نمایاں خصوصیات میں افراط زر (مہنگائی) کے دباؤ میں کمی، مانیٹری پالیسی میں بتدریج نرمی، بیرونی کھاتوں کے اشاریوں میں بہتری، اور ڈھانچہ جاتی اصلاحات و پالیسی ڈسپلن کی بدولت محتاط امید پرستی شامل رہی۔ اگرچہ مالیاتی حدود، توانائی کے اخراجات اور جغرافیائی سیاسی غیر یقینی صورتحال جیسے چینلجز برقرار رہے، تاہم مجموعی معاشی صورتحال پچھلے سالوں کے مقابلے میں نسبتاً استحکام کی جانب گامزن رہی۔

اس تناظر میں، ریگولیٹری نگرانی، بہتر ہوتی ہوئی کیپٹل مارکیٹ اور مالیاتی تحفظ کی مصنوعات کے بارے میں بڑھتی ہوئی آگاہی کی بدولت انشورنس سیکٹر نے لچک اور استحکام کا مظاہرہ کیا۔ سال کے دوران کمپنی کی کارکردگی اس کی محتاط انڈر رائٹنگ (underwriting) کی مہارت، اخراجات کے نظم و ضبط اور سرمایہ کاری کی متنوع حکمت عملی کی عکاسی کرتی ہے، جس نے کمپنی کو ایک مسابقتی اور بدلتے ہوئے کاروباری ماحول میں آگے بڑھنے کے قابل بنایا۔

سال کے دوران، مجموعی پریمیم میں گزشتہ سال کے مقابلے میں 17.6 فیصد اضافہ ریکارڈ کیا گیا۔ سرمایہ کاری سے حاصل ہونے والی آمدنی شرح سود میں کمی کے رجحان سے متاثر ہوئی، جسے کیپٹل مارکیٹ کی بہتر کارکردگی نے جزوی طور پر سہارا دیا، جس کے نتیجے میں خالص آمدنی میں 21.6 فیصد کمی واقع ہوئی۔ نتیجتاً، پالیسی ہولڈرز کو ادا کیے گئے فوائد اور ان کے لیے مختص کردہ ذخائر میں 1.6 فیصد کمی ریکارڈ کی گئی۔

مہنگائی اور کاروباری نمو کے مشترکہ اثرات کے باوجود، کمپنی کے حصول کاروبار اور دیگر آپریٹنگ اخراجات میں 11.2 فیصد اضافہ ہوا، جو اخراجات کو کنٹرول میں رکھنے کے حوالے سے کمپنی کے نظم و ضبط کا آئینہ دار ہے۔

ٹیکس سے قبل منافع 2,144.78 ملین روپے رہا، جبکہ ٹیکس کے بعد منافع 1,314.31 ملین روپے رہا۔ پچھلے سال کے مقابلے میں منافع میں تقریباً 15 فیصد کمی واقع ہوئی، جس کی وجوہات اوپر بیان کردہ عوامل کے علاوہ پروڈکٹ کس میں تبدیلی اور سنگل پریمیم بزنس کی طرف زیادہ رجحان تھا۔

بینک ایشرنس کے شعبے سے نئے ریگولر پریمیم بزنس میں 57.61 فیصد کا نمایاں اضافہ ہوا، جو بینک ایشرنس میں کمپنی کی تقسیم کاری کی مہارت اور رسائی کو ظاہر کرتا ہے۔ کمپنی کا ڈائریکٹ ڈسٹری بیوٹن چینل کم و بیش 2024 کی سطح پر ہی رہا، جو کہ کاروبار کے معیار کو بہتر بنانے، پالیسی کی تعمیل اور تقسیم کے اخراجات میں توازن برقرار رکھنے پر کمپنی کی مسلسل توجہ کے عین مطابق ہے۔

کل نیارگیولر پریمیم بزنس 4,020 ملین روپے رہا، جس میں 43 فیصد اضافہ ریکارڈ کیا گیا۔ گروپ لائف سیگنٹ سے حاصل ہونے والا کاروبار 1,427 ملین روپے رہا، جس میں سال کے دوران 29.10 فیصد نمو دیکھی گئی۔ سنگل پریمیم پالیسیوں کا مجموعی پریمیم میں حصہ 20,847 ملین روپے رہا، جس میں 22 فیصد اضافہ ہوا۔ تجدیدی پریمیم 10,185 ملین روپے رہے، جو گزشتہ سال کے مقابلے میں 1 فیصد زیادہ ہے، اس میں کمپنی کی جانب سے ادا کی گئی میچورٹی کی رقم بھی شامل ہے۔

Compliance with the Code of Corporate Governance

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

ADAMJEE LIFE ASSURANCE COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

1. The total number of directors were Eight (8). However, one of our independent director Mr. Shahmeer Khalid Butt has resigned from the Board with effect from August 11, 2025. At present, total number of directors is as follows:

Male: Six (6)

Female: One (1)

2. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (the Board). At present, the composition of the Board is as follows:

Name	Category
Independent Director	Mr. Ismail Arif Rafi
Non-Executive Director	Mr. S.M. Jawed
Non-Executive Director	Mr. Muhammad Ali Zeb
Non-Executive Director	Mr. Imran Maqbool
Non-Executive Director	Mr. Umer Mansha
Non-Executive Director	Mrs. Naz Mansha
Chief Executive Officer	Mr. Manzar Mushtaq

The number of elected/nominated directors on the Board is seven (7) whereas the Chief Executive is a "deemed director" under section 188(3) of the Companies Act, 2017. The independent directors meet the criteria of independence under the Code. The casual vacancy was vacant beyond the specified timelines due to the board keenness to identify a suitable and experienced candidate to fill the casual vacancy considering the Fit & Proper criteria as outlined in Prudent Regulations. Further, the company has filled the casual vacancy accordingly.

Fraction arrived at while calculating the one-third of Independent Directors, works out to be 2.66, was not rounded up to one. The reason for such rounding down is because the Board honesty believes and understands that two (2) independent directors are sufficient to fulfill the roles and obligations of the independent director as per requirements of the applicable law and regulations. Moreover, the Company has eminent and seasoned professionals who are acting in the capacity of independent directors, who have the requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently. Therefore, the appointment of a third independent director is not considered.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, 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 Code of Conduct, which has been disseminated among all directors and employees of the Company.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The board ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
7. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and the key officers, have been taken by the Board.
8. The meetings of the Board were presided over the Chairman and, in his absence, by a director elected by the Board for this purpose and the board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven (7) days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
9. 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.
10. The Board has a formal policy and transparent procedures for directors' remuneration in accordance with the Act and these Regulations.
11. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirement of the Code and the Regulations.
12. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.

14. The Directors, Chief Executive Officer, and other executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.

15. The Company has complied with all corporate and financial reporting requirements of the Code and the Regulations.

16. The Board has formed the following Management Committees:

Underwriting & Reinsurance Committee:

Name	Category
Mr. Umer Mansha	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial
Dr. Bakht Jamal	Advisor to CEO - Technical Affairs
Mr. Shams ul Zuha	Member / Head of Reinsurance
Mr. Farrukh Kidwai	Secretary / Head of Underwriting

Claim Settlement Committee

Name	Category
Mr. S.M. Jawed	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer
Mr. Absar Burney	Member / Head of Business Operations
Mr. Muhammad Danish	Member / AGM Payout & Settlements
Mr. Kashif Fareed Ahmed Khan	Secretary / Head of Claims

Risk Management & Compliance Committee

Name	Category
Mr. Muhammad Ali Zeb	Chairman / Non-Executive Director
Mr. Manzar Mushtaq	Member / Chief Executive Officer
Mr. Jalal Meghani	Member / Chief Financial Officer
Mr. Amin Nizar Ali	Member / Head of Actuarial
Mr. Shahid Javeed	Member / Head of Risk Management
Mr. Asif Mirza	Secretary / Head of Compliance

17. The Board has formed the following Board Committees:

Ethics, Human Resource, Remuneration & Nominations Committee

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

Investment Committee

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

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

Audit Committee

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

18. The terms of reference of all committees have been duly approved, documented, and communicated.

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

20. The Board has set up an effective internal audit department who are considered suitably qualified and experienced 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.

21. The Chief Executive Officer, Company Secretary, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons heading the underwriting, claim, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Name	Category
Mr. Manzar Mushtaq	Chief Executive Officer
Mr. Jalal Meghani	Chief Financial Officer
Mr. Samad Ali Naqvi	Head of Internal Audit
Mr. Arslan Tahir	Company Secretary
Mr. Amin Nizar Ali	Head of Actuarial Services
Mr. Bakht Jamal	Advisor to CEO – Technical Affairs
Mr. Iftikhar Javaid	Director Distribution, Marketing & Business Strategy
Mr. Shahid Javaid	Head of Risk Management
Mr. Farrukh Kidwai	Head of Underwriting
Mr. Kashif Fareed Ahmed Khan	Head of Claims
Mr. Abdul Wahab Agar	Head of Customer Services
Mr. Shams Ul Zuha	Head of Reinsurance
Mr. Asif Mirza	Head of Compliance & Legal Affairs

22. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan, that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company and that they or any partner of the firm, their spouses and minor children do not hold shares of the Company.
23. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations, the Code or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
24. The Appointed Actuary of the Company has confirmed that he or his spouse and minor

children do not hold shares of the Company.

25. The Board ensures that the Appointed Actuary complies with the requirements set out for him in the Code.
26. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
27. The Board ensures that the risk management system of the Company is in place as per the requirement of the Code.
28. The Company has set up a risk management function / department, which carries out its tasks as covered under the Code.
29. The Board ensures that as part of the risk management system, the Company gets rated from PACRA credit rating agency which is being used by its risk management function / department and the respective Committee as a risk monitoring tool. The rating assigned by the said rating agency on August 13, 2025 is AA with stable outlook.
30. The Board has set up a grievance department/function, which fully complies with the requirements of the Code.
31. All the Directors have either attended the orientation course or have been provided appropriate guidelines in this regard and as such they are fully aware of their duties and responsibilities. All Directors are either already certified for Directors' Training Program or exempt from the said requirement under Code.
32. We confirm that all other material principles contained in the Code of Corporate Governance for Insurers, 2016 have been complied.
33. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been complied with except for filling of casual vacancy of Independent Director as disclosed above.

Dated: February 17, 2026


Umer Mansha
 Chairman

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 (both herein referred to as "the Regulations") prepared by the Board of Directors of Adamjee Life Assurance Company Limited ("the Company") for the year ended December 31, 2025 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision lxxvi of the Code of Corporate Governance for Insurers, 2016.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2025.

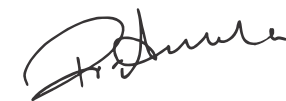
Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

PARAGRAPH REFERENCE	Description
2	<p>The Regulations require that Board shall have at least two or one-third members of the Board, whichever, is higher, as Independent Directors. However, there was only one (1) independent director since August 11, 2025.</p> <p>During the year, a casual vacancy arose on the Board of Directors due to the resignation of Mr. Shahmeer Khalid Butt, who resigned on August 11, 2025. In accordance with the regulations, the Company was required to fill the casual vacancy within ninety (90) days. However, the casual vacancy remained vacant as at December 31, 2025 and was subsequently filled on February 17, 2026.</p>

KARACHI

DATE: 31 MARCH 2026

UDIN: CR202510045gVRUQ12dO



RIAZ AHMAD & COMPANY

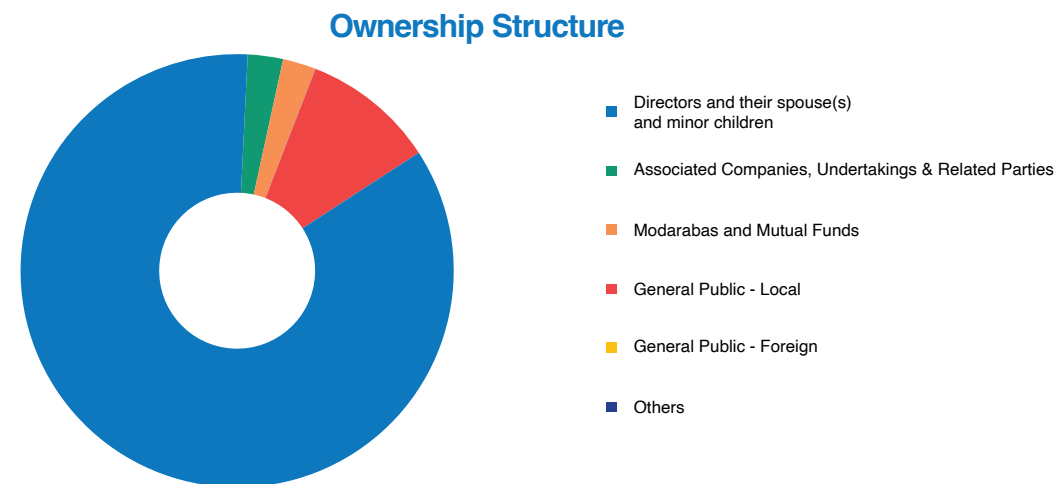
Chartered Accountants

Governance Framework

Ownership/ shareholding structure

Ownership Structure

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children	6	1572	0.0006
Associated Companies, Undertakings & Related Parties	2	222,980,335	84.94
Modarabas and Mutual Funds	4	6,914,954	2.63
General Public - Local	678	6,490,899	2.47
General Public - Foreign	32	42,984	0.02
Others	13	26,069,256	9.93
Totals	735	262,500,000	100.00



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

Formal Orientation Course for Directors

All the Directors of the Company are well experienced and have diverse backgrounds. At the time of induction of a new director, a comprehensive orientation session is being conducted

covering various aspects such as Company's operations, applicable laws & regulations and their fiduciary duties and responsibilities towards the Company, etc.

Directors Training Program

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

Policy on Related Party Transactions

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

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

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

Policy for Actual and Perceived Conflict of Interest

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

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

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

Grievance Policy

According to Adamjee Life, a company's relationships with investors are essential to its financial health and rapid expansion. The organization's reputation is also reflected in its interactions with

Governance Framework

Ownership/ shareholding structure

investors. Thus, it is essential to establish a system inside the company for serving investors and resolving their complaints in a way that complies with the law.

In accordance with this, the Company has made available on its website all pertinent information regarding the Company, its directors, auditors, share registrars, financial data for the current and previous six-year periods.

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

IT Governance Policy

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

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

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

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

Whistle Blowing Policy

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

The primary goal of a whistle-blowing policy is to promote ethical behavior and create a culture of transparency within the organization. By encouraging employees to speak up about wrongdoing, organizations can identify and address problems before they become major issues. Additionally, by protecting whistleblowers from retaliation, organizations can send a message that unethical

behavior will not be tolerated and that the organization is committed to upholding high ethical standards.

Human Resource Management Policies including Preparation of Succession Plan

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

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

Health, Safety and Environment

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

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

Business Continuity Plan

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

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

The objectives of the BCP plan is to:

1. Ensure the safety of employees and visitors in the office buildings.
2. Mitigate threats or limit the damage that threats can cause.

Governance Framework

Ownership/ shareholding structure

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

Cyber Security Policy

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

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

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

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

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

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

Insider Trading Policy

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

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

with whom the Company has a business relationship or in which the Company has an interest in.

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

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

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

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

The International Integrated Reporting Council's (IIRC's) rules for the International Integrated Reporting (IR) framework were followed in the preparation of Adamjee Life's Annual Report for 2025. We constantly work to improve the transparency of the information presented to our stakeholders in order to build and maintain their trust, including that of employees, policyholders, suppliers, business partners, local communities, legislators, regulators, and policymakers. We always aim to achieve our goals through excellent corporate reporting.

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

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

Governance Framework

Ownership/ shareholding structure



Statement of Directors

The Board of Directors feels immense pleasure in representing the statement as per the requirement of Section 46(6) and Section 52(2) (c) of the Insurance Ordinance 2000 for the year ended December 31, 2025.

Section 46(6)

We certify and confirm that:-

- In our opinion the annual statutory accounts of Adamjee Life Assurance Company Limited set out in the forms attached to the statement have been drawn up in accordance with the Insurance Ordinance, 2000 and the rules made there under;
- Adamjee Life Assurance Company Limited has at all times in the year complied with the provisions of the Insurance Ordinance, 2000 and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements as at December 31, 2025; and
- As at December 31, 2025, Adamjee Life Assurance Company Limited continues to be in compliance with the provisions of the Ordinance and the rules made there under relating to paid-up capital, solvency and reinsurance arrangements.

Section 52(2)(c)


In our opinion, each statutory fund of Adamjee Life Assurance Company Limited complies with the solvency requirements of the Insurance Ordinance, 2000 and the rules made thereunder.

Gender Pay Gap Statement under Circular 10 of 2024

Following is gender pay gap calculated for the year ended December 31, 2025

	Median	Mean
Management Staff		
Senior Management	-16.73%	19.9%
Middle Management	-8.64%	-5.7%
Operational Staff	3.0%	-1.1%
Banca		
Team Leaders	7%	12.6%
Sr. BSR/BSR	0%	-1.2%
Direct Distribution Sales		
Higher Management	-	-
Middle Management	0%	20%
Lower Management	0%	-8%

On behalf of Adamjee Life Assurance Company Limited


 Manzar Mushtaq
 Chief Executive Officer

Date: February 18, 2026


 Chairman


 Director


 Director


 Chief Executive Officer

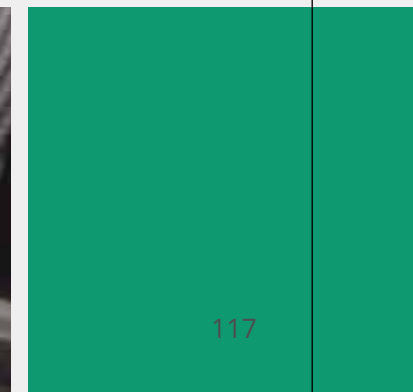
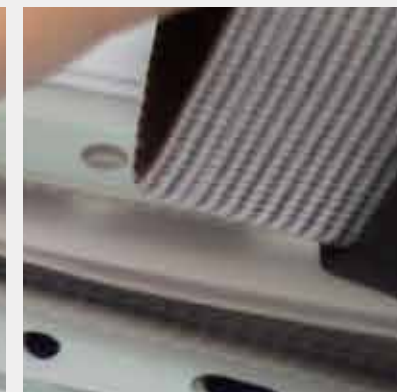
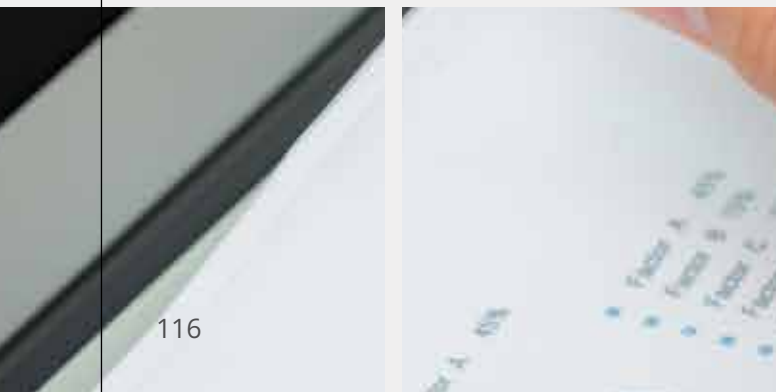
Adamjee Life Assurance Co. Ltd.
 Principal Office
 3rd and 4th Floor, Adamjee House,
 I.I. Chundrigar Road, Karachi - 74000

Registered Office
 Office No. 505, 5th Floor, ISE Towers,
 55-B, Jinnah Avenue, Blue Area, Islamabad

UAN: +92 (21) 111-11-5433
 Tel: +92 (21) 38677100, 37134900
 Fax: +92 (21) 38630011
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Financial Highlight



Financial Performance Analysis

Statement of Value Addition

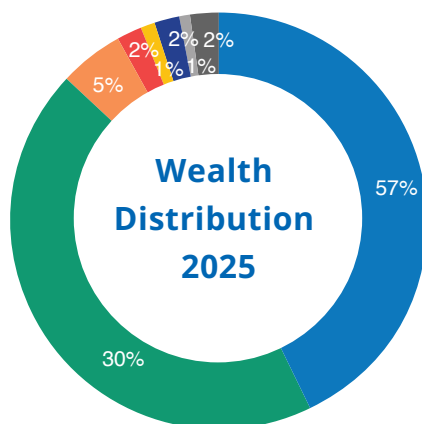
	2025		2024	
			Rupees in '000'	%
WEALTH GENERATION				
Net Premium / Contribution	35,429,608	62.57%	30,284,691	53.10%
Net investment income	20,688,317	36.54%	26,034,736	45.64%
Other income	501,760	0.89%	718,804	1.26%
Total wealth generated	56,619,685	100.00%	57,038,231	100.00%

WEALTH DISTRIBUTION

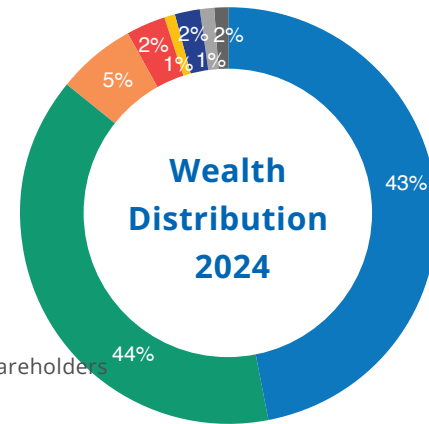
Net insurance benefits	32,085,983	56.67%	24,350,007	42.69%
Change in insurance liabilities	16,777,580	29.63%	25,292,831	44.34%
Commission expense	3,142,887	5.55%	2,773,446	4.86%
Employee benefit cost	1,440,116	2.54%	1,392,111	2.44%
Administrative expenses	813,826	1.44%	744,400	1.31%
Donations	2,235	0.00%	1,631	0.00%
Financial charges	49,221	0.09%	11,737	0.02%
Government taxes	894,064	1.58%	956,907	1.68%
Distribution paid / proposed to Shareholders	512,500	0.91%	500,000	0.88%
Retained in business	901,273	1.59%	1,015,161	1.78%
Total wealth distributed	56,619,685	100.00%	57,038,231	100.00%

WEALTH DISTRIBUTION

	31-Dec-25	31-Dec-24
Net insurance benefits	57%	43%
Change in insurance liabilities	30%	44%
Commission expense	6%	5%
Employee benefit cost	3%	2%
Administrative expenses	2%	1%
Government taxes	2%	2%
Distribution paid / proposed to Shareholders	1%	1%
Retained in business	2%	2%
Total wealth distributed	100%	100%



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



Six Year Financial Performance

Description	2025	2024	2023	2022	2021	2020
.....Rs. in Million.....						
BALANCE SHEET						
Paid up capital	2,625	2,500	2,500	2,500	2,500	935
Reserves	2,154	1,884	1,048	772	585	527
Equity (unappropriated profit)	1,555	1,049	870	476	164	28
Investments(Market Value)	123,463	105,751	78,608	60,771	49,678	38,547
Investment Property	1,182	1,155	1,065	944	939	855
Fixed Assets	928	924	319	367	370	402
Cash & Bank deposits	6,412	6,246	3,927	5,317	9,726	9,955
Other Assets	2,607	2,352	2,171	1,768	1,204	1,080
Total Assets	134,593	116,428	86,090	69,166	61,918	50,839
Total Liabilities	128,259	110,996	81,672	65,418	58,668	49,349

OPERATING DATA						
Gross Premium	36,413	30,969	23,351	20,949	20,658	17,101
Net Premium	35,430	30,285	22,686	20,315	20,128	16,537
Net Claims	(32,086)	(24,350)	(18,997)	(14,234)	(9,106)	(6,839)
Net Commission	(3,832)	(3,434)	(3,174)	(3,184)	(3,138)	(2,692)
Net Change In Insurance/Takaful Liabilities (Other Than Outstanding Claims)	(16,778)	(25,293)	(15,897)	(4,937)	(9,490)	(9,937)
Underwriting Results	3,736	3,980	2,680	1,694	1,522	1,354
Financial Charges	(49)	(12)	(10)	(18)	(24)	(26)
Total Expenses	(1,542)	(1,432)	(1,129)	(865)	(1,267)	(1,018)
Investment Income	21,001	26,772	18,062	3,734	3,128	4,285
Profit Before Tax	2,145	2,536	1,541	810	231	310
Profit After Tax	1,314	1,554	908	498	174	191

CASH FLOW SUMMARY						
Operating Activities	(2,349)	3,957	(566)	3,389	6,630	5,650
Investing Activities	3,198	(1,124)	(1,774)	(14,013)	(8,716)	(4,757)
Financing Activities	(683)	(589)	(250)	(90)	1,475	178

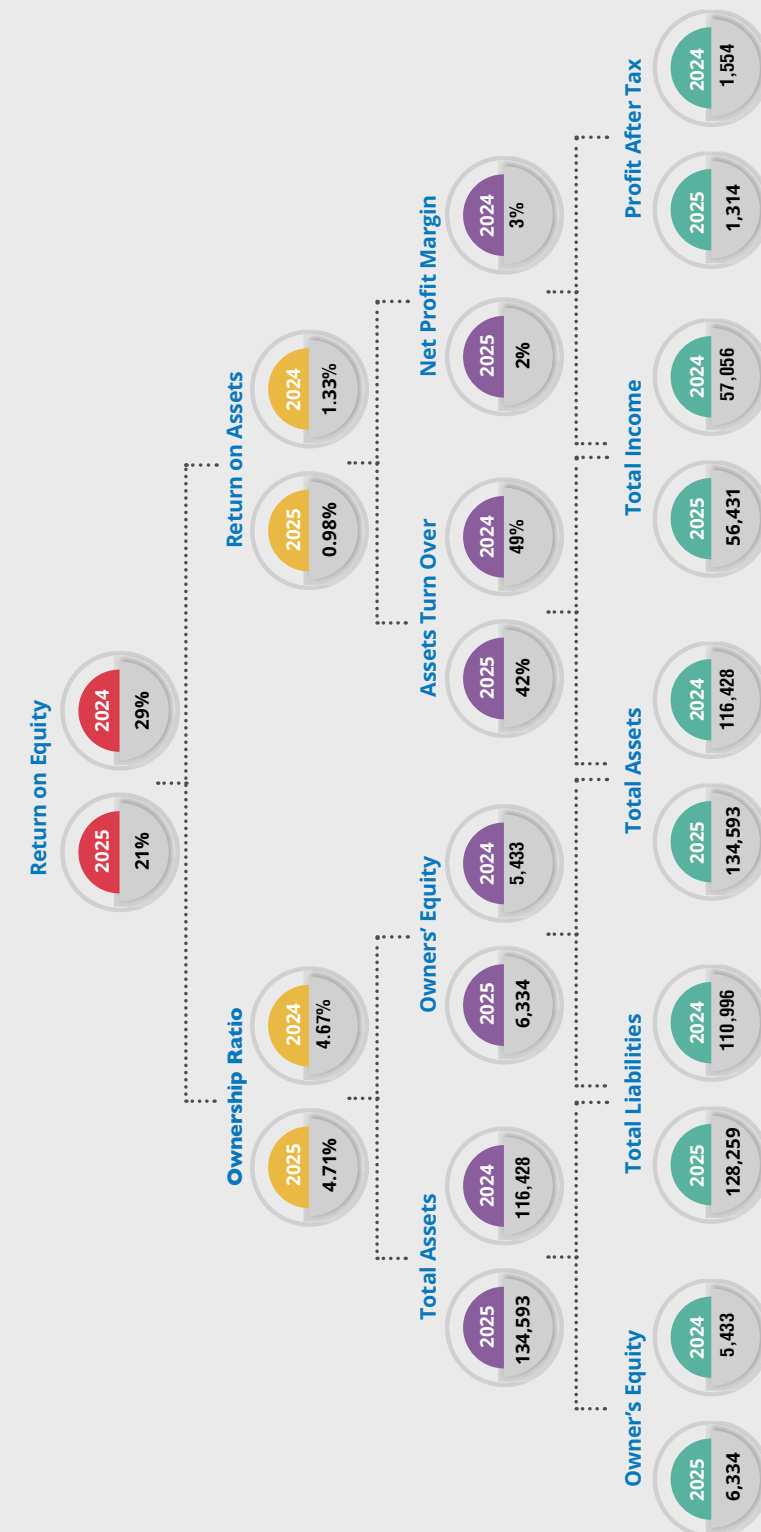
SHARE INFORMATION						
Break-up Value Per Share	24.13	21.73	17.67	14.99	13.00	15.93
No. of Shares	262,500,000	250,000,000	250,000,000	250,000,000	250,000,000	93,549,400
Share price at year end	36.87	30.26	24.96	19.49	-	-
Highest Share price during year	38	44.5	29.33	19.55	-	-
Lowest Share price during year	25.57	22.00	11.80	19.00	-	-
KSE 100 Index	174,054	115,127	62,451	40,420	44,596	43,755
Market price to Break up value	1.53	1.39	1.41	1.30	-	-
Face value	10	10	10	10	10	10
Market Capitalization - (Rupees in '000)	9,678,375	7,565,000	6,240,000	4,872,500	-	-

DISTRIBUTION						
Dividend per share (Rupees)	2	2	2	-	-	-
Total Dividend - (Rupees in '000)	512,500	500,000	500,000	-	-	-
Cash Dividend - (Rupees in '000)	512,500	500,000	500,000	-	-	-
Bonus Shares	125,000	-	-	-	-	-

Capital Structure of the Company

	2025	2024	2023	2022	2021	2020
	Rupees in 000'					
Ordinary share capital	2,625,000	2,500,000	2,500,000	2,500,000	2,500,000	935,494
Money ceded to Waqf fund	500	500	500	500	500	500
(Deficit) / surplus on revaluation of available for sale investments	104,130	(10,972)	-	(5,496)	(4,743)	361
Ledger account D	2,049,110	1,894,641	1,047,316	776,870	589,705	525,915
Unappropriated profit	1,555,262	1,048,560	869,752	476,416	164,266	28,345
Capital and reserves attributable to the Company's equity holders	6,334,002	5,432,729	4,417,568	3,748,290	3,249,728	1,490,615
Long term borrowing	-	-	-	-	84,894	164,482
Company Capital Structure at the end of year	6,334,002	5,432,729	4,417,568	3,748,290	3,334,622	1,655,097
Capital and reserves attributable to the Company's equity holders	100.00%	100.00%	100.00%	100.00%	97.45%	90.06%

Dupont Analysis



	2025	2024
Profit Margin	PAT/Total Income	2%
Asset Turnover	Total income / Total Assets	42%
Equity Multiplier	Total Asset / SH Equity	2125%
		21%

Six Years Financial Performance Financial Ratio

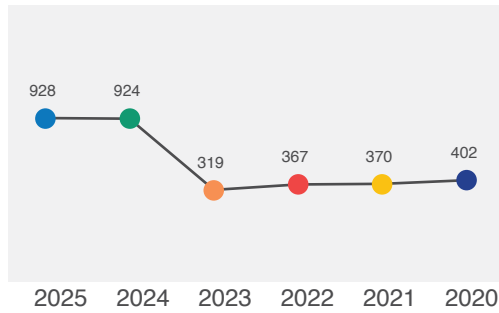
		2025	2024	2023	2022	2021	2020
PROFITABILITY RATIOS							
Profit Before Tax / Gross Premium	%	5.9	8.2	6.6	3.9	1.1	1.8
Profit Before Tax / Net Premium	%	6.1	8.4	6.8	4.0	1.1	1.9
Profit After Tax / Gross Premium	%	3.6	5.0	3.9	2.4	0.8	1.1
Profit After Tax / Net Premium	%	3.7	5.1	4.0	2.4	0.9	1.2
Net Claims / Net Premium	%	90.6	80.4	83.7	70.1	45.2	41.4
Commission / Net premium	%	10.8	11.3	14.0	15.7	15.6	16.3
Administration Expenses / Gross premium	%	4.2	4.6	4.8	4.1	6.1	6.0
Administration Expenses / Net premium	%	4.4	4.7	5.0	4.3	6.3	6.2
Profit Before Tax / Total Income	%	3.8	4.4	3.8	3.4	1.0	1.5
Profit After Tax / Total Income	%	2.3	2.7	2.2	2.1	0.7	0.9
Net investment income / Net Premium	%	59.3	88.4	79.6	18.4	15.5	25.9
RETURN TO SHAREHOLDERS RATIOS							
Return on equity including retained balance in Ledger Account D (PAT/total equity)	%	20.75	28.61	20.56	13.28	5.35	12.81
Earnings per share (pre tax)	Rs.	8.17	10.14	6.16	3.24	0.92	3.32
Earnings per share (after tax)	Rs.	5.01	6.22	3.63	1.99	0.70	2.04
Return on Total Assets	%	0.98	1.33	1.05	0.72	0.28	0.38
Earnings Growth	%	(15.44)	71.16	82.45	186.36	(9.01)	(12.02)
Breakup Value Per Share Rupees	Rs.	24.13	21.73	17.67	14.99	13.00	15.93
Market price per share at the end of the year	Rs.	36.87	30.26	24.96	19.49	-	-
Cash dividend per share (paid)	Rs.	2.00	2.00	2.00	-	-	-
Cash dividend	%	20%	20%	20%	-	-	-
Dividend yield	%	5%	7%	8%	-	-	-
Dividend payout	%	40%	32%	55%	-	-	-
Dividend cover - (Times)	Times	2.50	3.11	1.82	-	-	-
LIQUIDITY RATIOS							
Current Ratio	Times	0.70	0.69	0.77	0.95	1.04	1.28
Cash & bank / Current Liability	Times	0.38	0.38	0.32	0.58	0.64	0.91
Total Liabilities / Total Equity	Times	20.25	20.43	18.49	17.45	18.05	33.11
Paid up capital / Total Assets	%	1.95	2.15	2.90	3.61	4.04	1.84
Equity / Total Assets	%	4.71	4.67	5.13	5.42	5.25	2.93

Six Years Financial Performance Horizontal Analysis

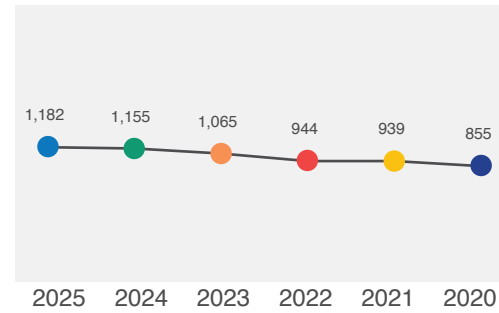
	2025	2024	2023	2022	2021	2020	2025	2024	2023	2022	2021	2020	%Increase / (decrease) over preceding years		
	Rs in Million														
BALANCE SHEET															
Fixed Assets	928	924	319	367	370	402	0.4%	190.0%	-13.1%	-0.9%	-7.9%	-28.8%			
Investment Property	1,182	1,155	1,065	944	939	855	2.4%	8.4%	12.9%	0.5%	9.8%	-2.4%			
Investments	123,463	105,751	78,608	60,771	49,678	38,547	16.7%	34.5%	29.4%	22.3%	28.9%	24.0%			
Current Assets-Others	2,607	2,352	2,171	1,768	1,204	1,080	10.8%	8.3%	22.8%	46.9%	11.5%	65.0%			
Cash and Bank Deposits	6,412	6,246	3,927	5,317	9,726	9,955	2.7%	59.1%	-26.2%	-45.3%	-2.3%	37.1%			
Total Assets	134,593	116,428	86,090	69,166	61,918	50,839	15.6%	35.2%	24.5%	11.7%	21.8%	25.7%			
EQUITY AND LIABILITIES															
Equity	6,334	5,433	4,418	3,748	3,250	1,491	16.6%	23.0%	17.9%	15.3%	118.0%	13.0%			
Insurance liabilities	124,289	106,352	79,560	63,409	56,933	47,033	16.9%	33.7%	25.5%	11.4%	21.0%	28.0%			
Long term Liabilities	515	628	32	101	177	326	-18.1%	1867.0%	-68.4%	-42.8%	-45.8%	5.9%			
Deferred taxation	1,367	1,218	657	377	232	207	12.2%	85.3%	74.5%	62.7%	12.1%	115.1%			
Borrowings	-	-	-	-	89	178	0.0%	0.0%	0.0%	-100.0%	-50.0%	0.0%			
Current Liabilities	993	1,600	420	606	484	514	-37.9%	280.9%	-30.6%	25.0%	-5.7%	7.7%			
Other creditors and accruals	1,095	1,197	1,003	926	753	1,091	-8.6%	19.4%	8.3%	22.9%	-31.0%	-27.2%			
Total Equity and Liabilities	134,593	116,428	86,090	69,166	61,918	50,839	15.6%	35.2%	24.5%	11.7%	21.8%	25.7%			
PROFIT AND LOSS ACCOUNT															
Net Premium Revenue	35,430	30,285	22,686	20,315	20,128	16,537	17.0%	33.5%	11.7%	0.9%	21.7%	33.5%			
Net Investment income	21,001	26,772	18,062	3,734	3,128	4,285	-21.6%	48.2%	383.7%	19.4%	(27.0)%	22.1%			
Net Claims	(32,086)	(24,350)	(18,997)	(14,234)	(9,106)	(6,839)	31.8%	28.2%	33.5%	56.3%	33.2%	1.7%			
Net Change in insurance liabilities	(16,778)	(25,293)	(15,897)	(4,937)	(9,490)	(9,937)	-33.7%	59.1%	222%	(48.0)%	(4.5)%	93.9%			
Net Commission expense	(3,832)	(3,434)	(3,174)	(3,184)	(3,138)	(2,692)	11.6%	8.2%	(0.3)%	1.5%	16.6%	(0.3)%			
Other/Marketing and administration expense	(1,542)	(1,432)	(1,129)	(865)	(1,267)	(1,018)	7.7%	26.8%	30.5%	(31.7)%	24.4%	(3.6)%			
Financial charges	(49)	(12)	(10)	(18)	(24)	(26)	319.4%	21.2%	(46.8)%	(24.1)%	(6.9)%	227.1%			
Profit Before Tax	2,145	2,536	1,541	810	231	310	-15.4%	64.6%	90.2%	250.5%	(25.5)%	10.3%			
Taxation	(830)	(982)	(633)	(313)	(57)	(119)	-15.4%	55.1%	102.5%	444.6%	(51.8)%	86.0%			
Profit after Tax	1,314	1,554	908	498	174	191	-15.4%	71.2%	82.5%	186.4%	(9.0)%	(12.0)%			

Graphical Representation Horizontal Analysis

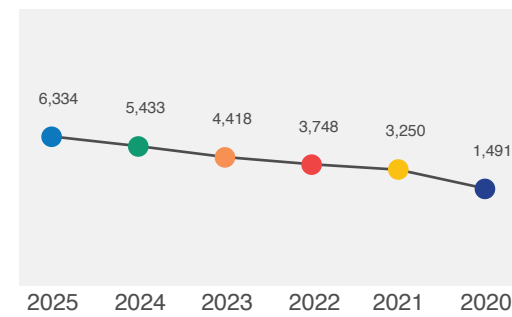
Fixed Assets



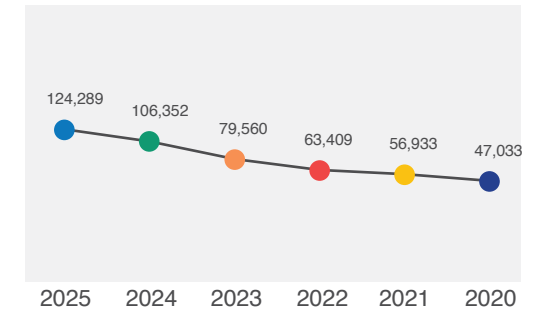
Investment Property



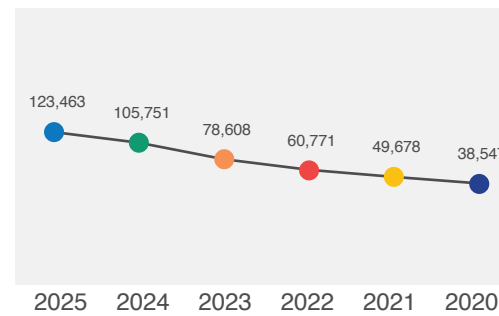
Equity



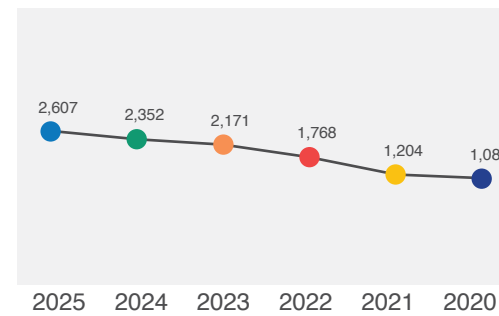
Insurance liabilities



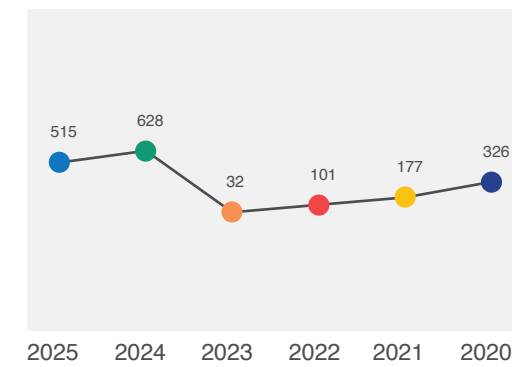
Investments



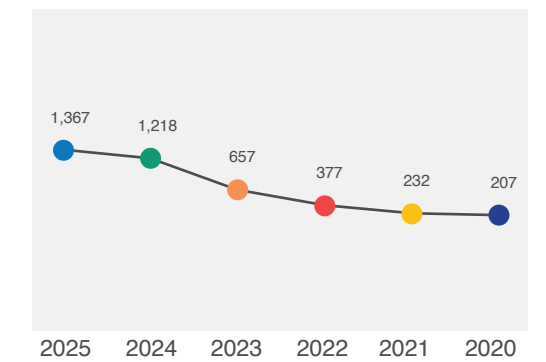
Current Assets-Others



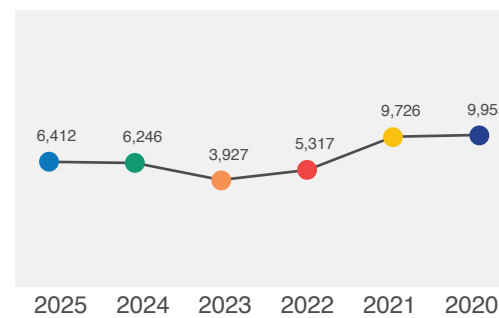
Long term Liabilities



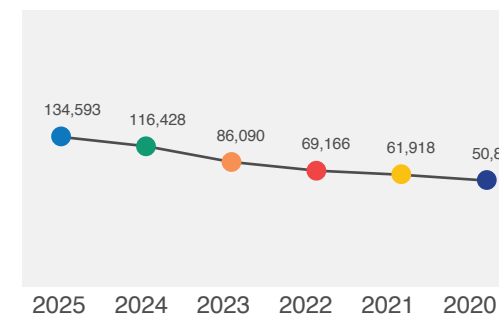
Deferred taxation



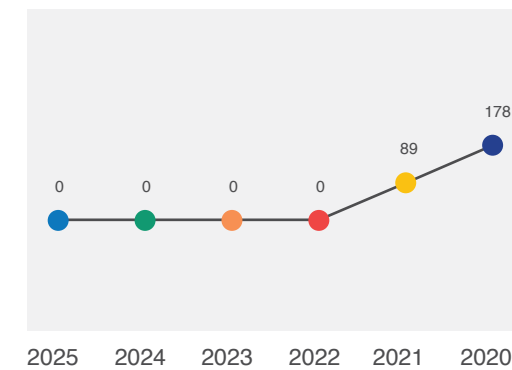
Cash and Bank Deposits



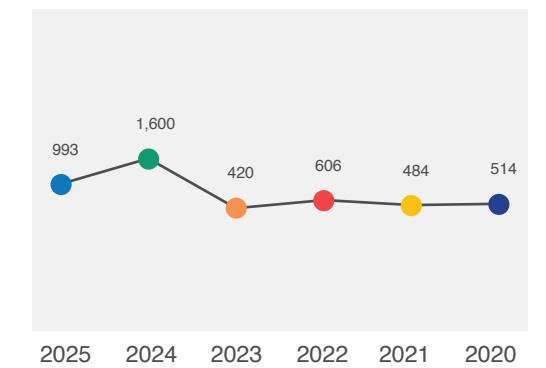
Total Assets



Borrowings

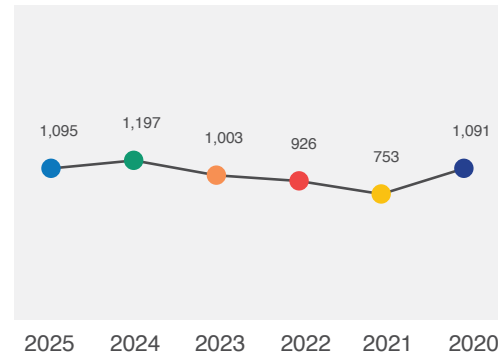


Current Liabilities

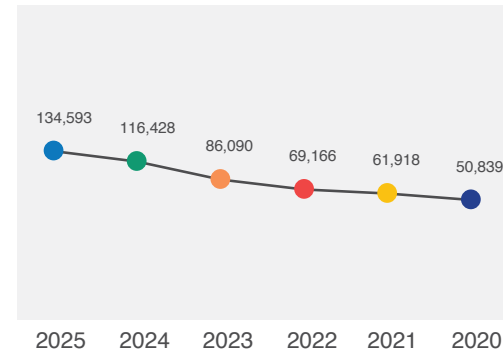


Graphical Representation Horizontal Analysis

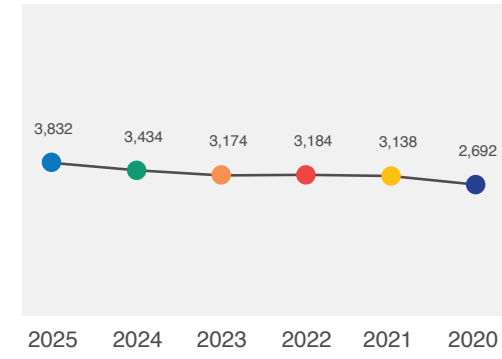
Other creditors and accruals



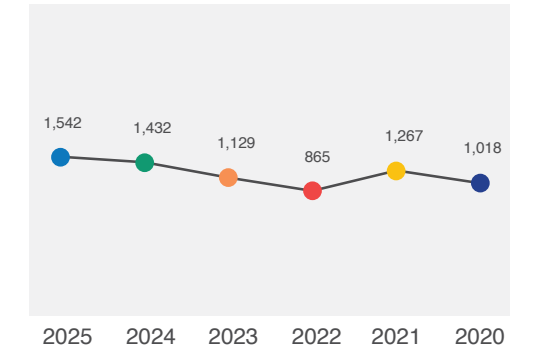
Total Equity and Liabilities



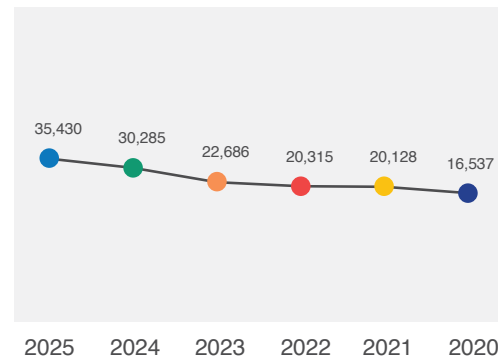
Net Commission expense



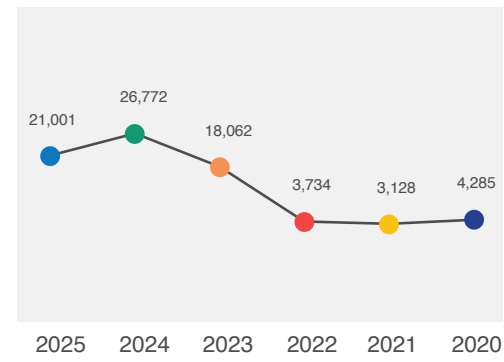
Other/Marketing and administration expense



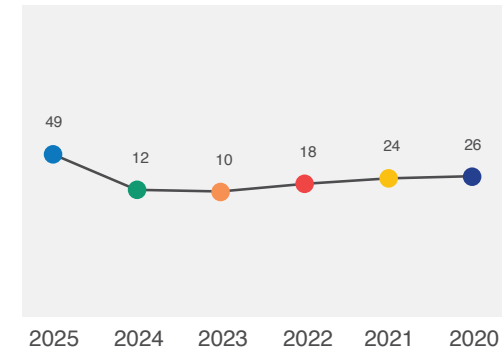
Net Premium Revenue



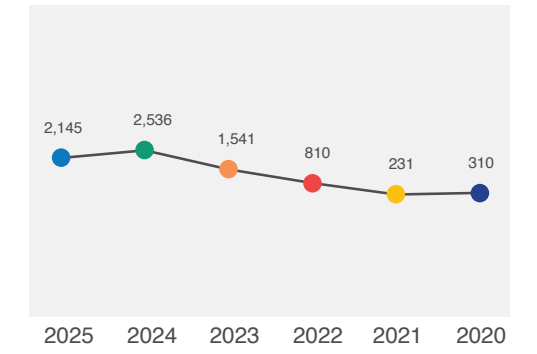
Net Investment income



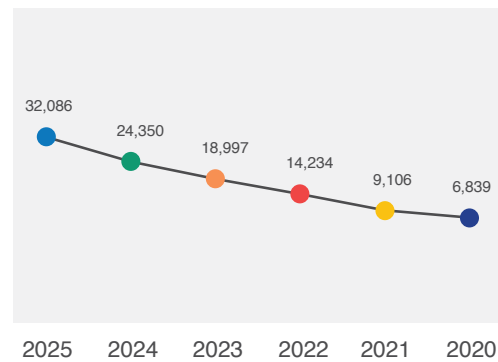
Financial charges



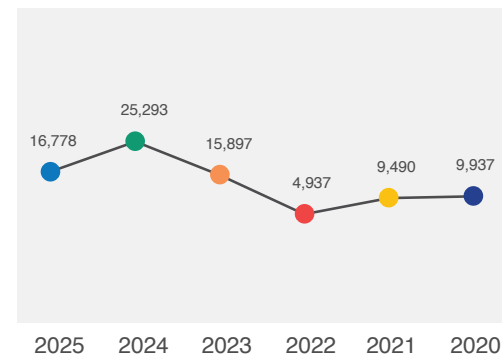
Profit Before Tax



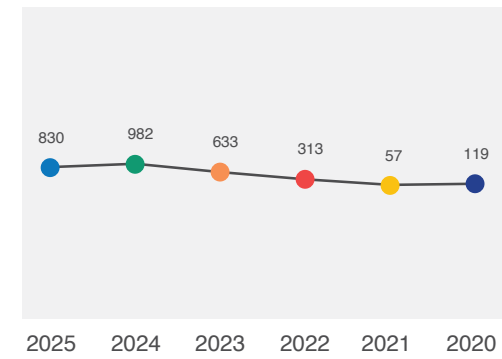
Net Claims



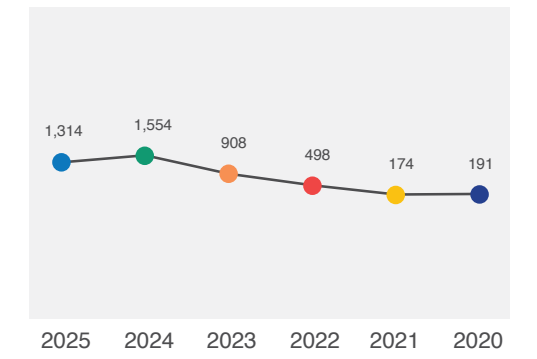
Net Change in insurance liabilities



Taxation



Profit after Tax



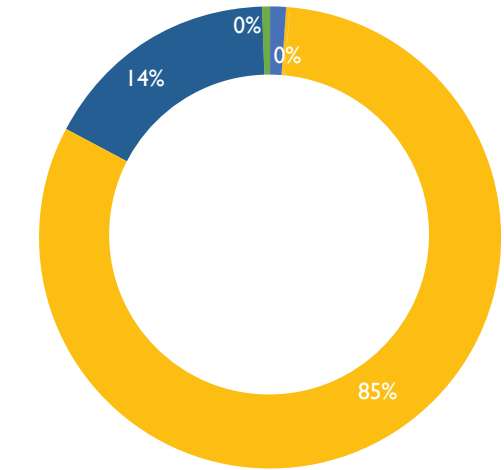
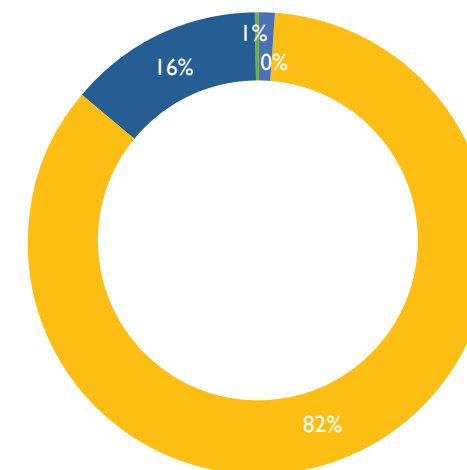
Six Years Financial Performance Vertical Analysis

Rs in Million

	2025	%	2024	%	2023	%	2022	%	2021	%	2020	%
BALANCE SHEET												
Fixed Assets	927.5	0.7	923.8	0.8	318.6	0.4	366.5	0.5	370.0	0.6	401.8	0.8
Investment Property	1,182.3	0.9	1,154.8	1.0	1,065.4	1.2	943.7	1.4	939.4	1.5	855.4	1.7
Investments	123,462.7	91.7	105,751.5	90.8	78,607.8	91.3	60,770.6	87.9	49,678.1	80.2	38,547.1	75.8
Current Assets-Others	2,607.5	1.9	2,352.3	2.0	2,171.3	2.5	1,768.3	2.6	1,203.9	1.9	1,080.1	2.1
Cash and Bank Deposits	6,412.5	4.8	6,245.9	5.4	3,926.6	4.6	5,317.0	7.7	9,726.1	15.7	9,955.1	19.6
Total Assets	134,593	100.0	116,428	100.0	86,090	100.0	69,166	100.0	61,918	100.0	50,839	100.0
Equity	6,334	4.7	5,433	4.7	4,418	5.1	3,748	5.4	3,250	5.2	1,491	2.9
Insurance liabilities	124,289	92.3	106,352	91.3	79,560	92.4	63,409	91.7	56,933	91.9	47,033	92.5
Long term liabilities	515	0.4	733	0.6	103	0.1	164	0.2	230	0.4	384	0.8
Deferred taxation	1,367	1.0	1,218	1.0	657	0.8	377	0.5	232	0.4	207	0.4
Borrowings	-	-	-	-	-	-	-	-	89	0.1	178	0.4
Current liabilities	993	0.7	1,495	1.3	348	0.4	542	0.8	431	0.7	456	0.9
Other creditors and accruals	1,095	0.8	1,197	1.0	1,003	1.2	926	1.3	753	1.2	1,091	2.1
Total Equity and Liabilities	134,593	100.0	116,428	100.0	86,090	100.0	69,166	100.0	61,918	100.0	50,839	100.0
PROFIT AND LOSS ACCOUNT												
Net Premium Revenue	35,430	100.00	30,285	100.00	22,686	100.00	20,315	100.00	20,128	100.00	16,537	100.00
Net Investment income	21,001	59.28	26,772	88.40	18,062	79.62	3,734	18.38	3,128	15.54	4,285	25.91
Net Claims	(32,086)	(90.56)	(24,350)	(80.40)	(18,997)	(83.74)	(14,234)	(70.07)	(9,106)	(45.24)	(6,839)	(41.35)
Net Change in insurance liabilities	(16,778)	(47.35)	(25,293)	(83.52)	(15,897)	(70.07)	(4,937)	(24.30)	(9,490)	(47.15)	(9,937)	(60.09)
Net Commission expense	(3,832)	(10.82)	(3,434)	(11.34)	(3,174)	(13.99)	(3,184)	(15.67)	(3,138)	(15.59)	(2,692)	(16.28)
Other/Marketing and administration expense	(1,542)	(4.35)	(1,432)	(4.73)	(1,129)	(4.98)	(865)	(4.26)	(1,267)	(6.29)	(1,018)	(6.16)
Financial charges	(49)	(0.14)	(12)	(0.04)	(10)	(0.04)	(18)	(0.09)	(24)	(0.12)	(26)	(0.16)
Profit Before Tax	2,145	6.05	2,536	8.37	1,541	6.79	810	3.99	231	1.15	310	1.88
Taxation	(830)	(2.34)	(982)	(3.24)	(633)	(2.79)	(313)	(1.54)	(119)	(0.59)	(64)	(0.39)
Profit after Tax	1,314	3.71%	1,554	5.13%	908	4.00%	498	2.45%	112	0.56	246	1.49

Segment Net Premium

	Conventional Business	Accident and Health Business	Non-unitised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	Total
2025	424,249	27	11,082	29,156,629	5,711,107	126,514	35,429,608
2025	1.20%	0.00%	0.03%	82.29%	16.12%	0.36%	100.00%
2024	345,676	3,535	23,390	25,763,992	4,065,482	82,616	30,284,691
2024	1.14%	0.01%	0.08%	85.07%	13.42%	0.27%	100.00%



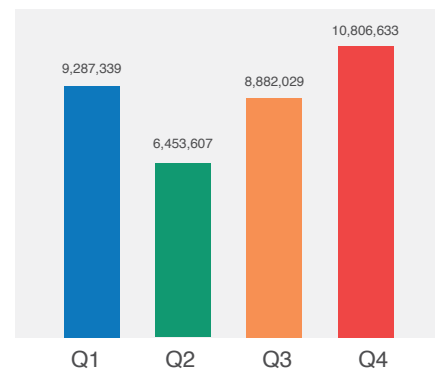
- Conventional Business
- Accident and Health Business
- Non-unitised Investment Link Business
- Unit Linked Business
- Individual Family Takaful Unit Linked Business
- Group Family Takaful Business

Quarterly Analysis 2025

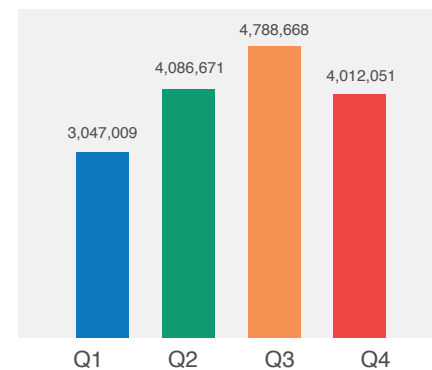
2025

	Q1	Q2	Q3	Q4
Net premium / contribution revenue (PKR 000)	9,287,339	6,453,607	8,882,029	10,806,633
Net investment income (PKR 000)***	3,047,009	4,086,671	4,788,668	4,012,051
Net Insurance benefits (PKR 000)	7,380,223	7,955,636	8,493,620	8,256,504
Profit after tax (PKR 000)	122,941	457,077	398,393	335,900
Total OCI (PKR 000)	125,870	441,069	400,897	445,937

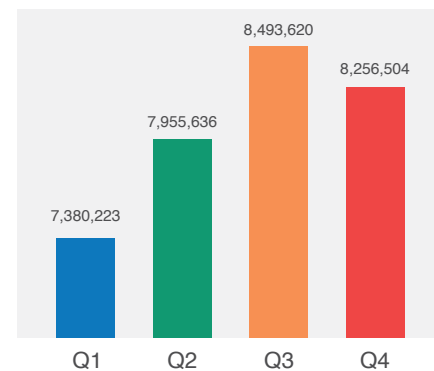
Net premium / contribution revenue



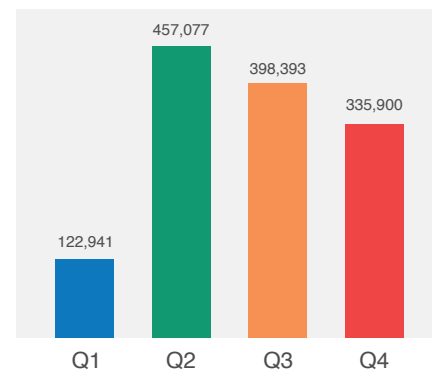
Net investment income (PKR 000)



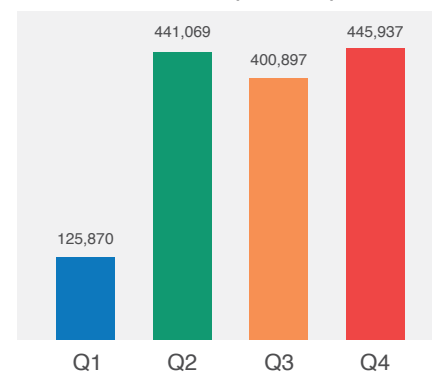
Net Insurance benefits (PKR 000)



Profit after tax (PKR 000)



Total OCI (PKR 000)



Share Price Analysis

2025

Economic conditions

Expectations for macro economic indicators (like inflation, forex reserves, interest rates, etc.) prevailing in the country impacts the share price.

Political Stability / Instability

Political noise or stability in the country may impact foreign investors' outlook which ultimately impact the share price.

Stock Market / Investor Sentiments

Change in the Investor sentiment due to changes in investment climate in general or the stock market in particular can also impact the share price.

Company Performance

Announcements regarding Financial results or profit distribution by the Company and major innovation or development in business that may lead to future growth in earnings and dividends affect the share price.

Changes in Government Policies & Laws

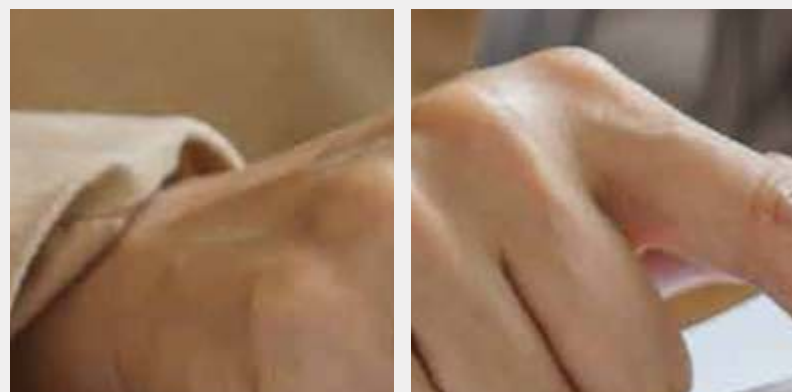
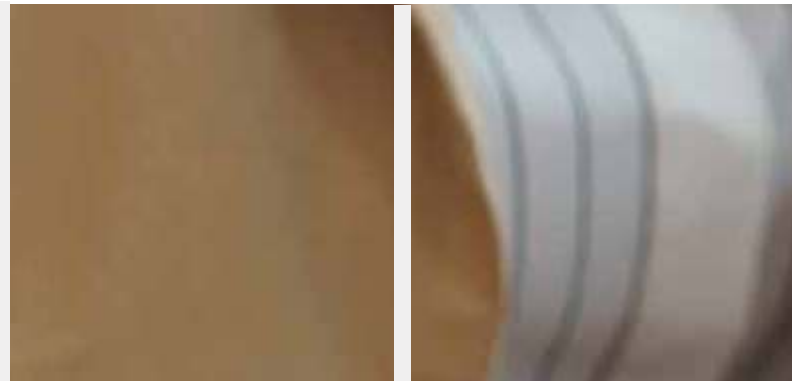
Changes in laws or Government policies could be perceived as positive or negative for Insurance Companies. Policies such as Interest rate, Economic and tax reforms may also affect the share price.

Company Financial Strength

Press releases on the Financial Strength of Company by Independent bodies may also impact on share price.

Date	High	Low	Volume
31-Jan-25	32.28	29.08	236,470
28-Feb-25	31.71	22.49	314,006
31-Mar-25	25.65	21.42	198,967
30-Apr-25	25.57	19.02	50,898
31-May-25	25.57	19.02	50,898
30-Jun-25	28.38	21.95	71,756
31-Jul-25	35.20	26.20	126,763
31-Aug-25	36.99	31.51	53,690
30-Sep-25	38.00	33.11	16,230
31-Oct-25	37.97	32.03	4,030
30-Nov-25	35.74	32.00	1,241
31-Dec-25	36.87	29.84	10,794

Financial Statements





INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 24.1.1 to the financial statements, which describes that the company along with other insurance companies had earlier challenged the scope and applicability of provincial sales tax on services on premium received from insurance business in provincial High Courts. Except for the stay against sales tax on health insurance business, the Hon'ble Sindh High Court has dismissed the case, with a direction to reapproach Sindh Revenue Board on the matter of taxability of life insurance. However, the insurance companies have filed a constitutional petition in the Supreme Court of Pakistan (now referred as Federal Constitutional Court of Pakistan).

The Company has not charged provincial sales tax to its clients. Furthermore, it has not recognized liability for the impugned sales tax amounting to Rs. 1,660 million as mentioned in note 24.1.1 to the financial statements as the management is confident that the final outcome will be in the favour of the Company based on legal opinion.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Following are the key audit matters:

S.NO.	KEY AUDIT MATTERS	HOW THE MATTERS WERE ADDRESSED IN OUR AUDIT
1.	<p>Valuation of insurance / takaful liabilities (Refer notes 3.4 and 18 of the annexed financial statements)</p> <p>The insurance / takaful liabilities represent the single largest liability of the Company constituting 96.91% of the total liabilities as at December 31, 2025. The Minimum Valuation Basis for determination of actuarial reserve for the insurance / takaful liabilities of a life insurance company is specified under Annexure 5 to Rule 23 of the Insurance Rules, 2017. The Annexure describes the valuation method to be used in determination of the actuarial reserves for the insurance / takaful liabilities with respect to unit linked and other segments and certain valuation parameters (such as mortality rates, morbidity rates, valuation rates of interest etc.) to be taken into account.</p> <p>The determination of the insurance / takaful liabilities is a significant area of judgment and estimation. Because of the significance of the impacts of these judgments and estimations, we considered this area as a key audit matter.</p>	<p>Our audit procedures to assess the determination of actuarial reserve for the insurance / takaful liabilities, amongst others, included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding from the management of the actuarial assumptions and methodologies used for estimating the insurance / takaful liabilities as at December 31, 2025; • Inquired from the management about the consistency of the method used for calculation of the insurance / takaful liabilities and assumptions for the valuation parameters at December 31, 2025 to establish whether these had been subject to any arbitrary discontinuities from those used at December 31, 2024; • Reviewed the report submitted by the appointed actuary expressing his satisfaction over the valuation of the insurance / takaful liabilities in accordance with Annexure 5 to Rule 23 of the Insurance Rules, 2017 and performed an independent assessment of the assumption and conclusion;

S.NO.	KEY AUDIT MATTERS	HOW THE MATTERS WERE ADDRESSED IN OUR AUDIT
		<ul style="list-style-type: none"> • Engaged an independent actuarial expert to assess whether the reserving methodology used with respect to all statutory funds maintained by the Company was in line with the Minimum Valuation Basis given in Annexure 5 to Rule 23 of the Insurance Rules, 2017 and was further in accordance with generally accepted actuarial principles; • Recomputed, on a test basis, the account / cash values of the insurance / takaful at December 31, 2025 by applying the relevant parameters (such as management fee charged, cost of insurance charged, return credited etc.) of the respective products; and • Assessed the relevant disclosures made in the financial statements to determine whether these complied with the accounting and reporting standards as applicable in Pakistan.
2.	<p>Valuation of investments</p> <p>(Refer notes 3.14 and 9 to 12 of the annexed financial statements)</p> <p>The investments of Rs. 123.46 billion as at December 31, 2025 held by the Company constitute the most significant component of total assets of the Company.</p> <p>The valuation of the investments portfolio of the Company as at December 31, 2025, was considered a significant area of estimation and therefore, a key audit matter.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's process for valuation and evaluated the design and implementation of key controls over the process relating to the valuation of the investments portfolio; • Obtained independent confirmations for verifying the existence of the investment portfolio as at December 31, 2025 and reconciled them with the books and records of the Company; • Performed recalculation by using the data and inputs used in the valuation to assess the accuracy of carrying value of investments at the reporting date;

S.NO.	KEY AUDIT MATTERS	HOW THE MATTERS WERE ADDRESSED IN OUR AUDIT
		<ul style="list-style-type: none"> • Reviewed and recalculated the impairment assessment of investment held as available for sale to determine whether it is reasonable and properly recognized and disclosed in accordance with applicable accounting and reporting standards in Pakistan; and • Assessed the appropriateness of the accounting policy adopted by the Company and disclosures made in the financial statements to ascertain whether these complied with the accounting and reporting standards as applicable in Pakistan.

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 of the Company and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

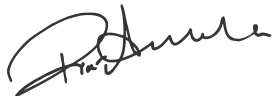
Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance 2000, the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) the apportionment of assets, liabilities, revenue and expenses between two or more funds has been performed in accordance with the advice of the appointed actuary;
- d) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- e) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements of the Company for the year ended December 31, 2024 were audited by another firm of chartered accountants who expressed an unmodified opinion vide their report dated March 27, 2025.

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



RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

DATE: 31 MARCH 2026

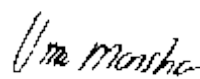
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Statement of Financial Position

As at December 31, 2025

	Note	2025 ------(Rupees in '000)-----	2024
Assets			
Property and equipment	5	403,889	235,496
Intangible assets	6	20,831	21,830
Right of use assets	7	502,825	666,460
Investment property	8	1,182,300	1,154,800
Investments			
Equity securities	9	18,090,569	15,207,952
Government securities	10	92,755,089	79,582,456
Debt securities	11	4,665,312	3,539,281
Open-ended mutual funds	12	7,951,760	7,421,764
Loan secured against life insurance policies		5,977	8,389
(Insurance / takaful) / (reinsurance / retakaful) receivables	13	316,514	78,133
Loans, advances and other receivables	14	1,566,418	1,668,201
Taxation - payments less provision		627,524	561,426
Prepayments	15	91,053	52,847
Cash at bank	16	6,412,471	6,245,914
Total Assets		134,592,532	116,444,949
Equity and Liabilities			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	17	2,625,000	2,500,000
Money ceded to Waqf fund		500	500
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)		2,049,110	1,894,641
Revenue reserves			
Deficit on revaluation of available for sale investments		104,130	(10,972)
Unappropriated profit		1,555,262	1,048,560
Total Equity		6,334,002	5,432,729
Liabilities			
Insurance / takaful liabilities	18	124,289,446	106,352,404
Retirement benefit obligation	19	58,296	72,124
Deferred taxation	20	1,366,646	1,217,817
Lease liabilities	21	569,115	660,903
Premium / contribution received in advance		609,889	1,347,412
Reinsurance / retakaful payables	22	270,509	164,253
Unclaimed dividends		83	104
Other creditors and accruals	23	1,094,546	1,197,203
Total Liabilities		128,258,530	111,012,220
Total Equity and Liabilities		134,592,532	116,444,949
Contingencies and commitments			
	24		

The annexed notes 1 to 49 form an integral part of these financial statements.



Umer Mansha
Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzar Mushtaq
Chief Executive Officer



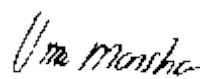
Jalal Meghani
Chief Financial Officer

Statement of Profit or Loss

For the year ended December 31, 2025

	Note	2025 ------(Rupees in '000)-----	2024
Premium / contribution revenue		36,412,679	30,968,830
Premium / contribution ceded to reinsurers / (retakaful operators)		(983,071)	(684,139)
Net premium / contribution revenue	25	35,429,608	30,284,691
Investment income	26	11,986,643	15,026,544
Net realised fair value gains on financial assets	27	3,947,756	5,290,276
Net fair value gains on financial assets at fair value through profit or loss - unrealised	28	4,534,626	5,643,684
Net rental income		3,100	2,813
Net unrealised gain on investment property	8	27,500	89,406
Other income	29	501,760	718,804
		21,001,385	26,771,527
Net Income		56,430,993	57,056,218
Insurance / takaful benefits	31	(32,913,247)	(24,755,820)
Recoveries from reinsurers / retakaful operators	31	831,286	410,973
Claims related expenses		(4,022)	(5,160)
Net insurance / takaful benefits		(32,085,983)	(24,350,007)
Net change in insurance / takaful liabilities (other than outstanding claims)	18.7	(16,777,580)	(25,292,831)
Acquisition expenses	32	(3,831,871)	(3,433,788)
Marketing and administration expenses	33	(1,486,308)	(1,347,363)
Other expenses	34	(55,246)	(84,253)
Total expenses		(22,151,005)	(30,158,235)
Finance costs	35	(49,221)	(11,737)
Results from operating activities		2,144,784	2,536,239
Income tax expense	36	(830,473)	(981,934)
Profit after tax for the year		1,314,311	1,554,305
Earnings (after tax) per share - basic and diluted - Rupees	37	5.01	Restated 5.92

The annexed notes 1 to 49 form an integral part of these financial statements.



Umer Mansha
Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzar Mushtaq
Chief Executive Officer



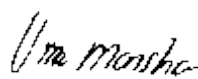
Jalal Meghani
Chief Financial Officer

Statement of Comprehensive Income

For the year ended December 31, 2025

	Note	2025 ------(Rupees in '000)-----	2024
Profit after tax for the year		1,314,311	1,554,305
Other comprehensive income:			
<i>Item that will not be reclassified to profit or loss:</i>			
Actuarial loss on retirement benefit obligation	19.2.3	(25,639)	(46,184)
Related deferred tax		9,999	18,012
		(15,640)	(28,172)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Change in unrealised gain / (loss) on revaluation of available for sale investment	30	188,692	(17,987)
Related deferred tax		(73,590)	7,015
		115,102	(10,972)
Other comprehensive income / (loss) for the year		99,462	(39,144)
Total comprehensive income for the year		1,413,773	1,515,161

The annexed notes 1 to 49 form an integral part of these financial statements.



Umer Mansha
Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

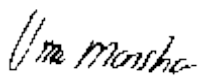
Statement of Changes in Equity

For the year ended December 31, 2025

	Attributable to equity holders' of the Company					Total
	Share capital	Money ceded to Waqf fund	Deficit on revaluation of available for sale investments	Unappropriated profit	Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)*	
	----- Revenue reserves -----					
	----- (Rupees in '000) -----					
Balance as at January 1, 2024	2,500,000	500	-	869,752	1,047,316	4,417,568
Total comprehensive income for the year ended December 31, 2024						
- Profit for the year after tax	-	-	-	1,554,305	-	1,554,305
- Other comprehensive loss - net of tax	-	-	(10,972)	(28,172)	-	(39,144)
	-	-	(10,972)	1,526,133	-	1,515,161
Transaction with owners recorded directly in the equity						
Final dividend @ Rs. 1 per share i.e 10%	-	-	-	(250,000)	-	(250,000)
Interim dividend @ Rs. 1 per share i.e 10%	-	-	-	(250,000)	-	(250,000)
Other transfers within equity						
Surplus for the period retained in statutory funds	-	-	-	(847,325)	847,325	-
Balance as at December 31, 2024	2,500,000	500	(10,972)	1,048,560	1,894,641	5,432,729
Total comprehensive income for the year ended December 31, 2025						
- Profit for the year after tax	-	-	-	1,314,311	-	1,314,311
- Other comprehensive income / (loss) - net of tax	-	-	115,102	(15,640)	-	99,462
	-	-	115,102	1,298,671	-	1,413,773
Transaction with owners recorded directly in the equity						
Final dividend @ Rs. 1 per share i.e 10%	-	-	-	(250,000)	-	(250,000)
Issuance of bonus shares	125,000	-	-	(125,000)	-	-
Interim dividend @ Rs. 1 per share i.e 10%	-	-	-	(262,500)	-	(262,500)
Other transfers within equity						
Surplus for the period retained in statutory funds	-	-	-	(154,469)	154,469	-
Balance as at December 31, 2025	2,625,000	500	104,130	1,555,262	2,049,110	6,334,002

*This includes balances maintained in accordance with the requirements of Section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 to meet solvency margins, which are mandatorily maintained for carrying on of the life insurance business. This also includes the retained earnings of Operator - Sub Funds (OSF) amounting to Rs. 549.20 million (2024: Rs. 439.94 million).

The annexed notes 1 to 49 form an integral part of these financial statements.



Umer Mansha
Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzar Mushtaq
Chief Executive Officer



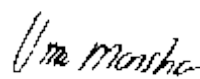
Jalal Meghani
Chief Financial Officer

Statement of Cash Flows

For the year ended December 31, 2025

	2025	2024
	-----	-----
	Note	-----
	-----	-----
	(Rupees in '000)	-----
	-----	-----
Operating Cash Flows		
(a) Underwriting activities		
Insurance premium / contribution received	35,621,018	32,064,863
Reinsurance premium / retakaful contribution paid	(229,772)	(189,954)
Claims paid	(31,757,807)	(23,261,395)
Commission paid	(2,525,420)	(1,891,532)
Marketing and administrative expenses paid	(2,645,395)	(2,413,896)
Net cash flow (used in) / generated from underwriting activities	(1,537,376)	4,308,086
(b) Other operating activities		
Income tax paid	(811,333)	(350,862)
Total cash flow (used in) / generated from operating activities	(2,348,709)	3,957,224
Investment activities		
Profit / return received	10,892,230	14,074,945
Dividend received	1,377,228	1,278,643
Rental received	3,100	2,813
Payment for investments	(179,013,859)	(281,721,109)
Proceeds from investments	170,201,386	265,319,185
Fixed capital expenditure	(285,578)	(113,553)
Loan to policyholders	2,831	28,634
Proceeds from sale of property and equipment	20,737	6,104
Total cash flow generated from / (used in) investing activities	3,198,075	(1,124,338)
Financing activities		
Finance cost paid	(82,716)	(23,012)
Payments against lease liabilities	(87,572)	(65,621)
Dividend paid	(512,521)	(499,935)
Total cash flow used in financing activities	(682,809)	(588,568)
Net cash outflows from all activities	166,557	2,244,318
Cash and cash equivalent at the beginning of the year	6,245,914	4,001,596
Cash and cash equivalent at the end of the year	6,412,471	6,245,914
	16.2	
Reconciliation to statement of profit or loss		
Cash flow from all operating activities	(2,348,709)	3,957,224
Depreciation and amortisation expense	(260,437)	(161,007)
Financial charge expense	(82,716)	(23,012)
Write offs of equipment	(642)	(6,121)
Gain on disposal of property and equipment	6,809	(692)
Loss on derecognition of ROU asset	(2,594)	-
Gain on disposal of investment	3,947,756	5,290,276
Rental income	3,100	2,813
Dividend income	1,377,228	1,270,185
Other investment income	11,131,866	14,565,261
Decrease / (increase) in assets other than cash	256,913	(6,711)
Increase in liabilities	(17,248,889)	(28,977,595)
Surplus on revaluation of investment	4,534,626	5,643,684
Profit after taxation	1,314,311	1,554,305

The annexed notes 1 to 49 form an integral part of these financial statements.



Umer Mansha
Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Notes to and forming part of the Financial Statements

For the year ended December 31, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

2. BASIS OF PREPARATION

These financial statements have been presented in accordance with the requirements of the Insurance Rules, 2017 issued through S.R.O. 88 (I) / 2017 dated February 9, 2017 by the SECP.

The SECP, in exercise of the powers conferred under Rule 11(1)© of the Takaful Rules, 2012, has imposed certain conditions vide its Circular No. 15 of 2019 dated November 18, 2019 on life insurers related to financial reporting of their window takaful operations. Under these conditions, the Life Insurers shall separately prepare financial statements for family takaful operations as if these are carried out by a Standalone Takaful Operator and shall be annexed with the insurer's annual / interim report (as applicable).

Accordingly, the Company has prepared and annexed to these financial statements, a standalone set of the financial statements for Window Takaful Operations of the Company, as if these are carried out by a Standalone Takaful Operator. This standalone set of financial statements for Window Takaful Operations of the Company is unaudited and unreviewed and is being submitted in compliance with the conditions imposed by the SECP as detailed above.

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012, General Takaful Accounting Regulations, 2019 and Islamic Financial Accounting Standard (IFAS).

In case the requirements differ, provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012, General Takaful Accounting Regulations, 2019 and Islamic Financial Accounting Standard (IFAS) shall prevail.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Amendments to published approved accounting standard that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates')

The above-mentioned amendments to approved accounting standard did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

2.5 Standards, interpretations, amendments and improvements to the accounting and reporting standards as applicable in Pakistan that are not effective in the current year but relevant to the Company

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2025:

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated December 31, 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after July 1, 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after July 1, 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after July 1, 2027.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' regarding the classification and measurement of financial instruments (effective for annual periods beginning on or after January 1, 2026). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

The above standards, amendments and improvements are likely to have no significant impact on the financial statements.

2.6 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not effective in the current year and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.7 Applicability of IFRS 9 and IFRS 17

Effective Date

- IFRS 17 – Insurance Contracts January 1, 2027
- IFRS 9 – Financial Instruments January 1, 2027

IFRS 17 – Insurance Contracts has been issued by the IASB to be effective for annual periods beginning on or after January 1, 2023. Security and Exchange Commission of Pakistan ('SECP') vide S.R.O. 1715(1) / 2023 dated November 21, 2023 deferred the applicability of the standard until January 1, 2026. However, on July 23, 2025, SECP vide S.R.O 1336(1) / 2025 further deferred the applicability of the standard until January 1, 2027.

IFRS 17, replaces IFRS 4 - Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. The 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.

Further, SECP vide S.R.O. 506(1)/2024 deferred the applicability of International Financial Reporting Standards 9 - Financial Instruments through optional temporary exemption as given in para 20A of IFRS 4 - Insurance Contracts [replaced by IFRS 17- Insurance Contracts], was extended for annual periods beginning before January 1, 2026 subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4. In line with the deferral in applicability of IFRS 17, SECP has further extended the optional exemption for annual periods beginning before January 1, 2027.

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

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

b) all other financial assets

As at December 31, 2025

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

(Rupees in '000)

Financial assets

Cash at bank	-	-	6,402,608	-
Equity securities	18,090,569	2,715,478	-	-
Government securities	92,755,089	795,578	-	-
Debt securities	4,665,312	2,968	-	-
Mutual funds	7,951,760	1,364,230	-	-
Loan secured against life insurance policies	-	-	5,977	-
Loan to employees	21,413	-	-	-
	123,484,143	4,878,254	6,408,585	-

As at December 31, 2024

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

(Rupees in '000)

Financial assets

Cash at bank	-	-	6,233,688	-
Equity securities	15,207,952	2,609,797	-	-
Government securities	79,582,456	1,499,116	-	-
Debt securities	3,539,281	12,833	-	-
Mutual funds	7,421,764	1,654,603	-	-
Loan secured against life insurance policies	-	-	8,389	-
Loan to employees	22,875	-	-	-
	105,774,328	5,776,349	6,242,077	-

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Types of Insurance / Window Takaful Operations

a) Conventional Business

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

i) Individual life

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

Revenue recognition

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

Recognition of policyholders' liabilities

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

Claim expenses

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

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

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

ii) Group life and group credit life

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

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

Revenue recognition

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

Recognition of policyholders' liabilities

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

Claim expenses

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

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

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

Experience refund of premium

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

b) Accident and Health Business

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

Revenue recognition

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

Recognition of policyholders' liabilities

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

Claim expenses

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

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

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

c) Non-unitised Investment Linked Business

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

Revenue recognition

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

premium. Premium of riders like 'Waiver of Premium' will be recognised upon actuarial assumptions where actuary deems that all premiums due have been received.

Recognition of policyholders' liabilities

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

Claim expense

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

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

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

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

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

d) Unit Linked Business

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

Revenue recognition

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

Recognition of policyholders' liabilities

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

Claim expenses

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

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

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

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

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

e) Individual Family Takaful Unit Linked Business

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

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

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

Revenue recognition

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

Recognition of policyholders' liabilities

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

Claim expenses

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

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

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

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

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

f) Group Family Takaful Business

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

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

Revenue recognition

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

Recognition of policyholders' liabilities

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

Claim expenses

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

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

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

Experience refund of contribution

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

3.2 Reinsurance / retakaful contracts held

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

3.2.1 Conventional

Reinsurance premium

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

Reinsurance recoveries

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

Experience refund

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

Amount due from / to reinsurer

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

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

3.2.2 Takaful

Retakaful contribution

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

Retakaful recoveries

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

Experience refund

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

Amount due from / to retakaful operator

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

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

3.3 Statutory funds

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

3.4 Policyholders' liabilities

a) Conventional Business

i) Individual life

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

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

- Incurred But Not Reported (IBNR) claims

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

- Unearned Premium Reserve

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

ii) Group life and group credit life

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

- Incurred But Not Reported (IBNR) claims

The provision for incurred but not reported claims is estimated at 15% of the earned premium for the year. The assumption is based on a "Claims run-off triangle" study carried out as at December 31, 2025.

- Unearned premium and premium deficiency reserve

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

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

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

Profit commission reserve

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

b) Accident and Health Business

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

c) Non-unitised Investment Linked Business

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

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

- Incurred But Not Reported (IBNR) claims

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

d) Unit Linked Business

Policyholders' liabilities constitute the fund value of unit linked contracts as well as non-unit

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

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

- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

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

e) Individual Family Takaful Unit Linked Business

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

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

- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

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

f) Group family takaful unit linked business

Policy reserves for these plans are based on the unearned contribution method net of allowances made for acquisition expenses, unexpired retakaful contribution and profit commission. Consideration is also given to the requirement for a Premium Deficiency Reserve. The reserves also comprise allowance for "Incurred But Not Reported" (IBNR) claims. The provision for IBNR claims as included in policyholders' liability is estimated at 15% of the earned contribution for the year. The assumption is based on "Claims run-off triangle" study carried out as at December 31, 2025.

g) Reserve for unearned contribution - Takaful Contracts

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

3.5 Retirement benefit obligation

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

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

The calculation of retirement benefit obligation 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.

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

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

The relevant details relating to the fund are disclosed in note 19. Gratuity is based on employees' last drawn gross salary. Provisions are made to cover the obligations under the scheme based on actuarial assumptions.

3.6 Leases

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 based on its relative stand-alone prices.

The Company recognizes right-of-use asset and its related lease liability at the commencement date of the lease.

i) Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

ii) Lease liability

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

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

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

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

The lease liability is measured at 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 or loss if the carrying amount of the right-of-use asset has been reduced to nil.

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

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

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date

and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.7 Receivables and payables relating to insurance contracts

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

3.8 Provisions

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

3.9 Other creditors and accruals

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

3.10 Employees accumulated compensated absences

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

3.11 Operating assets

3.11.1 Property and equipment

Recognition and measurement

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

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

Subsequent expenditure

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

Depreciation

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

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

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

Capital work-in-progress

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

3.11.2 Intangible assets

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

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

Subsequent expenditure

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

Amortisation

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

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

3.12 Impairment of non financial assets

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

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

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

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

3.13 Investment property

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

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

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

3.14 Financial instruments

3.14.1 Financial assets

The Company has classified its financial assets on initial recognition into the following categories: at fair value through profit or loss (held for trading), held to maturity, loans and receivables and

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

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

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

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

b) Held to maturity

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

c) Loans and receivables

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

d) Available for sale

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

Initial recognition and measurement

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

Subsequent measurement

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

Fair / market value measurements

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

Impairment of financial assets

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

Derecognition

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

Offsetting of financial assets and liabilities

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

3.14.2 Financial liabilities

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

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

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

3.15 Cash and cash equivalents

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

3.16 Other revenue recognition

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

3.17 Acquisition costs

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

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

3.18 Takaful operator fee

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

3.19 Taxation

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

Current

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

Deferred

Deferred taxation is recognised using liability method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3.20 Earnings Per Share (EPS)

The Company presents basic and diluted earnings per share (EPS) for the shareholders. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.21 Dividend and other appropriations

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

3.22 Foreign currency translation

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

Foreign currency differences are generally recognized in statement of profit or loss.

3.23 Segment reporting

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

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

3.24 Contingent Liabilities

Contingent Liabilities is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company; or the Company has present legal or constructive obligation that arises from past events, but it is not possible that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.25 Ijarah rentals

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about judgments made by the management in the application of approved accounting and reporting standards, as applicable in Pakistan that have

the most significant effects on the amount recognized in the financial statements and information about assumptions and estimation uncertainties with significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the subsequent year are described as follows:

	Note
- Policyholders' liabilities and underlying actuarial assumptions	3.1,3.4 & 18
- Residual value and useful lives of property and equipment, intangibles and ROUA	3.11, 5, 6 & 7
- Retirement benefit obligations	3.5 & 19
- Investment property	3.13 & 8
- Taxation and deferred taxation	3.19, 20 & 36
- Lease liabilities and related assets	3.6 & 21
- Classification and impairment of investments	3.14, 9, 10, 11 & 12
- Provisions	3.8
- Contingencies and commitments	24

5. PROPERTY AND EQUIPMENT

Operating Assets

Capital Work in Progress

	2025	2024
Note	(Rupees in '000)	
5.1	403,889	224,176
5.2	-	11,320
	403,889	235,496

5.1 Operating assets

	Cost					Rate %	Depreciation			Written down values as at December 31, 2025	
	As at January 01, 2025	Additions	Transferred from CWIP	(Disposals / write-off)	As at December 31, 2025		As at January 01, 2025	For the year	(Disposals / write-off)		As at December 31, 2025
	(Rupees in '000)						(Rupees in '000)				
Leasehold improvements	69,744	11,926	13,035	(1,987)	92,718	14.3%	33,042	11,240	(1,596)	42,686	50,032
Furniture and fixtures	61,970	2,229	4,436	(8,904)	59,731	14.3%	40,947	7,139	(7,833)	40,253	19,478
Office equipment	65,154	9,466	1,121	(4,493)	71,248	20%	44,288	8,320	(4,466)	48,142	23,106
Computer and related equipment	185,257	121,757	-	(4,158)	302,856	33.3%	157,267	26,026	(4,054)	179,239	123,617
Motor vehicles	180,485	127,892	-	(23,820)	284,557	20%	62,890	44,854	(10,843)	96,901	187,656
	562,610	273,270	18,592	(43,362)	811,110		338,434	97,579	(28,792)	407,221	403,889
	Cost					Rate %	Depreciation			Written down values as at December 31, 2024	
	As at January 01, 2024	Additions	Transferred from CWIP	(Disposals / write offs)	As at December 31, 2024		As at January 01, 2024	For the year	(Disposals / write offs)		As at December 31, 2024
	(Rupees in '000)						(Rupees in '000)				
Leasehold improvements	71,594	10,023	1,295	(13,168)	69,744	14.3%	26,091	10,410	(3,459)	33,042	36,702
Furniture and fixtures	61,676	2,307	-	(2,013)	61,970	14.3%	34,780	7,239	(1,072)	40,947	21,023
Office equipment	54,022	12,358	-	(1,226)	65,154	20%	38,761	6,643	(1,116)	44,288	20,866
Computer and related equipment	178,059	15,065	-	(7,867)	185,257	33.3%	139,218	25,040	(6,991)	157,267	27,990
Motor vehicles	130,689	56,821	-	(7,025)	180,485	20%	39,605	29,029	(5,744)	62,890	117,595
	496,040	96,574	1,295	(31,299)	562,610		278,455	78,361	(18,382)	338,434	224,176

5.1.1 Operating assets include items costing Rs. 200.44 million (2024: Rs 173.31 million) which are fully depreciated as of December 2025 but are still in active use.

5.1.2 Disposal of fixed assets

Particulars	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers along with relationship
----- Rupees in '000 -----							
Detail of fixed assets sold							
Furniture & fixtures	108	(74)	34	15	(19)	Negotiation	Abdul Hannan & Brothers
	156	(137)	19	4	(15)	Negotiation	Abdul Majeed & Sons Kabari
	244	(233)	11	7	(4)	Negotiation	Mr. Abid
	72	(52)	20	8	(18)	Negotiation	Ali & Co
	278	(207)	71	6	(65)	Negotiation	Mr. Amjad Iqbal
	348	(224)	124	20	(104)	Negotiation	Mr. Aslam Mehmood Butt
	1,936	(1,906)	30	1,243	1,213	Negotiation	Bellevue Medical Billings Enterprise
	128	(82)	46	15	(31)	Negotiation	Malang Scrap
	8	(8)	-	3	3	Negotiation	MB Contractor
	31	(26)	5	2	(3)	Negotiation	Mr. Shamoon
	30	(30)	-	3	3	Negotiation	MSA Content Services Pvt Ltd
	41	(28)	13	4	(9)	Negotiation	Mr. Muhammad Iqbal
	136	(122)	14	15	1	Negotiation	Nadeem Scrap
	27	(5)	22	39	17	Negotiation	Mr. Noman Afridi
	115	(74)	41	10	(31)	Negotiation	Qureshi Old Furniture
	21	(12)	9	1	(8)	Negotiation	Mr. Rasheed
	36	(32)	4	3	(1)	Negotiation	Mr. Shah
	80	(52)	28	14	(14)	Negotiation	Shahid Office And Computer Furnitures
	12	(5)	7	8	1	Negotiation	Syed Abdul Mateen
	192	(136)	56	14	(42)	Negotiation	Mr. Vishal Kumar
	3	(2)	1	-	(1)	Negotiation	Mr. Waseem
	125	(71)	54	-	(54)	As per Company policy	Mr. Asghar Ali -Employee
Leasehold improvement	935	(842)	93	33	(60)	Negotiation	Bellevue Medical Billings Enterprise
	29	(25)	4	13	9	Negotiation	MB Contractor
	140	(27)	113	16	(97)	Negotiation	Mr. Noman Afridi
	10	(8)	2	5	3	Negotiation	Mr. Sikander
Office equipment	364	(359)	5	38	33	Negotiation	Abdul Hannan and Brothers
	2,399	(2,399)	-	116	116	Negotiation	Bellevue Medical Billings Enterprise
	451	(451)	-	77	77	Negotiation	Bilal Refrigerator
	69	(69)	-	27	27	Negotiation	Huzaifa Refregirator
	-	-	-	2	2	Negotiation	I & B Engenering Solutions
	-	-	-	8	8	Negotiation	MB Contractor
	28	(28)	-	10	10	Negotiation	MSA Content Services Private Limited
	82	(82)	-	18	18	Negotiation	Mr. Muhammad Ahmad
	78	(65)	13	25	12	Negotiation	Mr. Shahzad Hasan
	-	-	-	12	12	Negotiation	SM Contractor
	31	(22)	9	36	27	As per policy	Insurance Claim
Motor vehicles	2,406	(1,243)	1,163	859	(304)	As per Company policy	Mr. Ahmed Zafar - Ex-Employee
	1,094	(1,094)	-	113	113	As per Company policy	Mr. Muhammad Khaliq -Employee
	567	(19)	548	437	(111)	As per Company policy	Mr. Ghulam Hyder - Ex-Employee
	293	(78)	215	404	189	As per Company policy	Mr. Gulam Murtaza Subhani - Ex-Employee
	331	(50)	281	545	264	As per Company policy	Mr. Muhammad Farrukh Jabbar - Ex-Employee
	2,474	(1,443)	1,031	2,698	1,667	As per Company policy	Mr. Nashad Nisar - Ex-Employee
	1,250	(1,250)	-	188	188	As per Company policy	Ms. Shahida Sadiq - Ex-Employee
	1,927	(1,381)	546	1,529	983	As per Company policy	Ms. Tooba Azeem - Ex-Employee
	1,094	(1,094)	-	-	-	As per Company policy	Mr. Yasir Nawaz -Employee
	390	(52)	338	350	12	As per Company policy	Mr. Azhar Maqsood -Employee
	4,798	(720)	4,078	4,744	666	As per Company policy	Mr. Farhan Jiwani - Ex-Employee

Particulars	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers along with relationship
Rupees in '000							
	320	(53)	267	1,152	885	As per Company policy	Mr. Muhammad Abu Bakkar - Ex-Employee
	338	(101)	237	481	244	As per Company policy	Mr. Muhammad Ehsan ullah Sabri -Employee
	487	(97)	390	1	(389)	As per Company policy	Mr. Muhammad Usman -Employee
	1,675	(921)	754	1,344	590	As per Company policy	Mr. Mukesh -Employee
	3,995	(1,132)	2,863	3,024	161	As per Company policy	Syeda Shan e Zahra - Ex-Employee
	379	(114)	265	725	460	As per Company policy	Mr. Zeeshan Nabi - Employee
Computer and related equipment	40	(33)	7	8	1	Negotiation	Bellevue Medical Billings Enterprise
	1,748	(1,748)	-	109	109	Negotiation	Sultan Traders
	571	(571)	-	-	-	As per Company policy	Mr. Ali Haider - Ex-Employee
	126	(115)	11	10	(1)	As per Company policy	Mr. Arsalan Ahmed Khan - Ex-Employee
	59	(59)	-	6	6	As per Company policy	Ms. Asma Yasmeen -Employee
	164	(164)	-	-	-	As per Company policy	Mr. Awais Aslam - Ex-Employee
	190	(190)	-	19	19	As per Company policy	Mr. Bakht Jamal Shaikh -Employee
	164	(164)	-	-	-	As per Company policy	Mr. Imran Hussain - Ex-Employee
	35	(13)	22	41	19	As per Company policy	Insurance Claim
	288	(288)	-	4	4	As per Company policy	Mr. Jalal Meghani -Employee
	164	(164)	-	-	-	As per Company policy	Mr. Muhammad Ali - Ex-Employee
	31	(31)	-	4	4	As per Company policy	Mr. Muhammad Jawad Ahmed Hussain Raz - Employee
	57	(59)	(2)	4	6	As per Company policy	Mr. Nauman Ahmad Taji -Employee
	59	(59)	-	4	4	As per Company policy	Mr. Naveed Abbas -Employee
	128	(62)	66	66	-	As per Company policy	Mr. Sada Abbas - Ex-Employee
	192	(192)	-	-	-	As per Company policy	Ms. Sidrah Kanwer - Ex-Employee
	54	(54)	-	4	4	As per Company policy	Mr. Syed Muhammad Umair Tahir -Employee
	36,631	(22,703)	13,928	20,737	6,809		

Details of fixed assets written off

Computer equipments	91	(91)	-	-	-	Write-off	None
Furniture and fixtures	4,776	(4,314)	462	-	(462)	Write-off	None
Leasehold improvements	874	(694)	180	-	(180)	Write-off	None
Office equipment	990	(990)	-	-	-	Write-off	None
	6,731	(6,089)	642	-	(642)		
Total as at December 31, 2025	43,362	(28,792)	14,570	20,737	6,167		

5.2 Capital work in progress - relating to leasehold improvement

	2025	2024
Opening balance	11,320	2,571
Additions	7,272	12,614
Expensed out	-	(2,570)
Transfers to operating assets	(18,592)	(1,295)
Closing balance	-	11,320

5.3 Depreciation

Acquisition expense	32	(46,911)	(46,022)
Marketing and administration expense	33	(50,668)	(32,339)
		(97,579)	(78,361)

6. INTANGIBLE ASSETS

Computer software	6.1	13,344	17,392
Capital work-in-progress	6.2	7,487	4,438
		20,831	21,830

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

6.1	2025										
	Cost				Rate %	Amortization			Written down		
	As at January 01, 2025	Additions	Transferred from CWIP	(Disposals) As at December 31, 2025		As at January 01, 2025	For the year	(Disposals) As at December 31, 2025	As at December 31, 2025	values as at December 31, 2025	
----- (Rupees in '000) -----											
Computer software	196,198	1,985	-	-	198,183	20%	178,806	6,033	-	184,839	13,344

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

6.1.1 Intangible assets include items costing of Rs. 168.49 million which are fully amortised as of 31 December 2025 (2024: Rs. 167.08 million) but are still in active use.

		2025	2024
	Note	----- (Rupees in '000) -----	
6.2 Capital work in progress			
Opening balance		4,439	3,754
Additions		3,048	4,365
Reversals		-	(2,000)
Transfer to intangible assets		-	(1,681)
Closing balance		7,487	4,438
7. RIGHT OF USE ASSETS			
Head office and branches	7.1	502,825	666,460
7.1 Head office, bancassurance and agency branches - ROUA			
Opening net book value		666,460	72,502
Additions	7.3	19,761	670,178
Derecognition			
- Cost		(32,843)	-
- Accumulated depreciation		6,272	-
Derecognition at net book value		(26,571)	-
Depreciation charged	7.2	(156,825)	(76,220)
Closing net book value		502,825	666,460
Cost		984,397	992,676
Accumulated depreciation		(481,572)	(326,216)
Net book value		502,825	666,460

	Note	2025 ------(Rupees in '000)-----	2024 -----
7.2 Depreciation			
Acquisition expense	32	(77,011)	(31,107)
Marketing and Administration expense	33	(79,814)	(45,113)
		<u>(156,825)</u>	<u>(76,220)</u>

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

	Note	2025 ------(Rupees in '000)-----	2024 -----
8. INVESTMENT PROPERTY			
Opening net book value		1,154,800	1,065,394
Unrealised fair value gain		27,500	89,406
Closing net book value	8.1	<u>1,182,300</u>	<u>1,154,800</u>

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

Market value of this investment property is estimated around Rs. 1,182.30 million with the forced sale value (FSV) of Rs. 945.84 million as at December 31, 2025. Total unrealised gain till December 31, 2025 is Rs. 410.37 million (December 31, 2024: Rs. 382.87 million). The fair value of investment property is determined by K.G Traders (Private) Limited, an external, independent property valuer having appropriate recognised professional qualifications.

Valuation technique

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

	Note	2025 ------(Rupees in '000)-----	2024 -----
9. INVESTMENT IN EQUITY SECURITIES			
Available for sale	9.1	405,801	217,109
Fair value through profit or loss (held for trading)	9.2	17,684,768	14,990,843
		18,090,569	15,207,952

9.1 Available for sale

	2025			2024		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	----- (Rupees in '000) -----					
Related parties	217,109	-	405,801	235,096	-	217,109
	217,109	-	405,801	235,096	-	217,109

9.1.1 Details of equity securities - available for sale

	2025		2024	
	No. of shares	Market value Rupees in (000)	No. of shares	Market value Rupees in (000)
Related party				
Nishat Chunian Power Limited	8,050,000	405,801	8,050,000	217,109

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

	2025			2024		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
	----- (Rupees in '000) -----					
Related parties	3,452,937	-	4,506,360	2,132,393	-	3,289,800
Others	11,705,045	-	13,178,408	10,230,666	-	11,701,043
	15,157,982	-	17,684,768	12,363,059	-	14,990,843

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

	Sector	2025		2024	
		No. of shares	Market value Rupees in (000)	No. of shares	Market value Rupees in (000)
Related party					
MCB Bank Limited (note 9.2.3)	Commercial Banks	10,000,044	3,793,817	10,155,286	2,856,682
Nishat Chunian Limited	Textile Composite	11,601,740	533,564	9,675,664	339,519
Nishat Chunian Power Limited	Power Producer	3,550,475	178,979	3,470,475	93,599
			4,506,360		3,289,800
Others					
Meezan Bank Limited	Commercial Banks	1,236,466	549,679	6,362,915	1,539,635
Bank Al Falah Limited	Commercial Banks	-	-	13,338,792	1,111,508
Faysal Bank Limited	Commercial Banks	320,825	29,763	18,439,419	893,943
Habib Bank Limited	Commercial Banks	13,019	4,210	5,032,970	878,052
Bank Alfalah Limited	Commercial Banks	12,288,821	1,340,096	-	-
National Bank of Pakistan	Commercial Banks	-	-	6,084,590	407,182
Habib Metropolitan Bank Limited	Commercial Banks	-	-	4,063,478	353,523
United Bank Limited	Commercial Banks	2,786,908	1,183,293	519,114	198,421
BankIslami Pakistan Limited	Commercial Banks	-	-	1,350,000	31,010
Interloop Limited	Textile Composite	12,332,778	950,611	11,791,217	810,292
Gul Ahmed Textile Mills Limited	Textile Composite	4,236,880	118,929	9,331,314	236,176
Hum Network Limited	Technology & Communication	-	-	50,000,000	733,500
Pakistan Telecommunication Company Limited	Technology & Communication	3,107	185	2,004,498	54,663
Systems Limited	Technology & Communication	2,796,284	477,829	55,677	34,601
Murree Brewery Company Limited	Food & Personal Care Products	273,595	292,938	447,138	321,166
National Foods Limited	Food & Personal Care Products	1,048,584	415,460	1,154,244	223,093
Rafhan Maize Products Company Limited	Food & Personal Care Products	14,101	141,833	8,955	80,595
Panther Tyres Limited	Automobile Parts & Accessories	7,982,184	452,670	6,241,342	291,096
Atlas Battery Limited	Automobile Parts & Accessories	-	-	271,532	103,384
Exide Pakistan Limited	Automobile Parts & Accessories	63,141	39,262	107,887	86,444
Agriautos Industries Limited	Automobile Parts & Accessories	38,113	6,007	371,087	40,333
Agriauto Industires Limited	Automobile Parts & Accessories	1,013,754	159,788	-	-
Pakistan Oilfields Limited	Oil & Gas	-	-	267,103	168,708
Pakistan Petroleum Limited	Oil & Gas	2,721,091	640,946	446,929	90,972
Oil and Gas Development Company Limited	Oil & Gas	2,015,756	566,609	298,504	67,838
Attock Petroleum Limited	Oil & Gas	279,725	152,607	2,427	1,346
Attock Petroleum Limited	Oil & Gas	139,853	95,580	-	-
Mari Petroleum Company Limited	Oil & Gas	-	-	1,550	1,116
Hi-Tech Lubricants Limited	Oil & Gas	1,084,959	62,700	-	-
Pakistan State Oil Company Limited	Oil & Gas	615,789	291,983	-	-
Abbott Laboratories (Pakistan) Limited	Pharmaceuticals	845,548	887,944	321,721	398,245
Highnoon Laboratories Limited	Pharmaceuticals	-	-	95,963	88,115
The Searle Company Limited	Pharmaceuticals	-	-	425	44
AGP Limited	Pharmaceuticals	2,326,879	472,705	-	-
Cherat Cement Company Limited	Cement	1,537,191	512,684	1,230,112	336,669
Lucky Cement Limited	Cement	12,788	6,074	56,513	62,192
Pioneer Cement Limited	Cement	4,271	1,654	73,007	14,678
Sitara Chemical Industries Limited	Chemical	-	-	444,275	139,952
Dynea Pakistan Limited	Chemical	-	-	289,761	64,576
Nimir Industrial Chemicals Limited	Chemical	-	-	368,679	53,090
Lucky Core Industries Limited	Chemical	-	-	32,961	35,472
Lotte Chemical Pakistan Limited	Chemical	-	-	1,508,059	31,533

Sector	2025		2024		
	No. of shares	Market value	No. of shares	Market value	
	Rupees in (000)		Rupees in (000)		
Indus Motors Company Limited	Automobile Assembler	97,680	195,695	4,290	9,136
Honda Atlas Cars(Pakistan) Limited	Automobile	498,196	136,755	-	-
IGI Holdings Limited	Insurance	-	-	50,000	8,711
Jubilee General Insurance Limited	Insurance	-	-	200,000	11,496
Fatima Fertilizer Company Limited	Fertilizer	320,826	48,640	3,272,660	256,185
Engro Fertilizer Limited	Fertilizer	412,000	93,256	328,500	67,076
Engro Corporation Limited	Fertilizer	-	-	6,500	2,894
Fatima Fertilizer Co Ltd.	Fertilizer	50,835	7,707	-	-
Packages Limited	Packaging	428,200	327,530	-	-
Century Paper & Board Mills Limited	Paper, Board And Packaging Industries	579,474	20,792	-	-
Ferozsons Laboratories Limited	Healthcare Company	500,398	188,020	-	-
Haleon Pakistan Limited	Healthcare Company	20,000	16,666	-	-
Glaxosmithkline Pakistan	Healthcare Company	431,411	168,155	-	-
Bata Pakistan Limited	Leather & Tanneries	142,217	175,557	146,451	295,663
Pakistan Tobacco Company Limited	Tobacco	1,155,101	1,780,796	383,353	510,545
Mughal Iron & Steel Industries Limited	Engineering	-	-	6,193,294	496,083
Shabbir Tiles & Ceramics Limited	Glass & Ceramics	-	-	3,734,706	60,091
Tariq Glass Industries	Glass & Ceramics	2,090	446	-	-
Lalpir Power Limited	Power Producer	110,000	2,672	-	-
Mari Energies Limited	Power Producer	1,545	1,106	-	-
Wafi Energy Pakistan Limited	Power Producer	362,714	80,555	-	-
International Industries Limited	Steel	416,364	77,510	-	-
International Steels Limited	Steel	2,574	271	-	-
Engro Holding Limited	Investment	9,441	2,240	-	-
			<u>13,178,408</u>		<u>11,701,043</u>

9.2.3 This includes 1.2 million shares having market value of Rs. 455.26 million (Rs. 337.56 million) pledged with National Clearing Company of Pakistan Limited as a trading margin.

10. INVESTMENT IN GOVERNMENT SECURITIES

Fair value through profit or loss (held for trading)

	2025	2024
Note	------(Rupees in '000)-----	
10.1	<u>92,755,089</u>	<u>79,582,456</u>

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

	Term (year / months)	Maturity year	Effective yield (%)	Face value	Carrying value	Market value
----- (Rupees in '000) -----						
Fixed rate instruments						
GOP Ijara Sukuk	1 Year	2026	5.07% - 10.49%	5,048,500	4,968,273	5,003,738
GOP Ijara Sukuk	1 Year	2027	10.41% - 10.52%	310,000	328,317	331,626
GOP Ijara Sukuk	2 Year	2027	10.41% - 10.52%	187,500	189,854	193,906
GOP Ijara Sukuk	2 Year	2028	10.48% - 10.63%	220,000	222,552	221,768
GOP Ijara Sukuk	3 Year	2028	10.48% - 10.63%	700,000	746,694	790,720
GOP Ijara Sukuk	3 Year	2029	10.59% - 10.65%	310,000	328,639	349,244
GOP Ijara Sukuk	4 Year	2029	10.55% - 10.72%	225,000	231,838	240,634
GOP Ijara Sukuk	4 Year	2030	10.34% - 10.83%	587,500	588,113	600,295
GOP Ijara Sukuk	5 Year	2030	10.34% - 10.83%	212,500	212,500	216,601
Total GOP Ijara Sukuk				7,801,000	7,816,780	7,948,532
Pakistan Investment Bond	1 year	2026	10.40% - 10.41%	6,900,000	6,869,726	6,929,909
Pakistan Investment Bond	1 year	2027	10.39% - 10.43%	5,575,000	5,004,155	5,033,024
Pakistan Investment Bond	2 year	2027	10.39% - 10.43%	250,100	214,348	213,762
Pakistan Investment Bond	3 year	2029	10.51%	15,000	15,612	16,331
Pakistan Investment Bond	4 year	2029	10.71%	550,000	578,526	604,095
Pakistan Investment Bond	4 year	2030	10.79% - 10.81%	2,300,000	2,314,930	2,388,932
Pakistan Investment Bond	5 year	2030	10.79% - 10.81%	3,470,000	3,231,101	3,328,665
Total Pakistan Investment Bond				19,060,100	18,228,398	18,514,718
Treasury Bills	1 Year	2026	10.35% - 10.44%	40,394,130	38,626,217	38,701,269
Total Treasury Bills				40,394,130	38,626,217	38,701,269
Floating rate instruments						
GOP Ijara Sukuk	1 Year	2026	10.63% - 11.31%	1,010,000	1,020,101	1,013,020
GOP Ijara Sukuk	1 Year	2027	10.16% - 11.40%	214,900	218,828	216,232
GOP Ijara Sukuk	2 Year	2027	10.16% - 11.40%	250,005	250,798	250,215
GOP Ijara Sukuk	3 Year	2028	10.69%	660,000	678,023	665,148
GOP Ijara Sukuk	3 Year	2029	10.13%	25,000	25,583	25,015
GOP Ijara Sukuk	4 Year	2030	10.46%	62,500	62,500	62,488
Total GOP Ijara Sukuk				2,222,405	2,255,833	2,232,118
Pakistan Investment Bond	3 Year	2028	10.91% - 11.35%	6,540,000	6,416,388	6,509,221
Pakistan Investment Bond	3 Year	2029	10.51% - 12.24%	8,056,800	7,884,716	7,987,617
Pakistan Investment Bond	10 Years	2035	10.68% - 11.86%	2,250,000	2,141,244	2,171,075
Pakistan Investment Bond	2 Year	2027	10.39% - 11.18%	38,000	37,559	38,030
Pakistan Investment Bond	2 Year	2028	10.91% - 11.35%	5,550,000	5,469,758	5,528,165
Pakistan Investment Bond	4 Year	2029	10.51% - 12.24%	1,400,000	1,371,392	1,388,019
Pakistan Investment Bond	4 Year	2030	10.64% - 11.24%	1,750,000	1,711,226	1,736,325
Total Pakistan Investment Bond (note 10.1.1)				25,584,800	25,032,283	25,358,452
			As at December 31, 2025	95,062,435	91,959,511	92,755,089
			Unrealised Gain (note 28)	-	795,578	-
				95,062,435	92,755,089	92,755,089
			As at December 31, 2024	82,632,390	79,582,456	79,582,456

10.1.1 These include PIBs of Rs. 75 million, Rs. 100 million and Rs. 300 million (December 31, 2024: Rs. 75 million, Rs. 100 million and Rs. 300 million) placed with State Bank of Pakistan as per the requirement of section 29 of Insurance Ordinance, 2000 carrying coupon rate of 7.5%, 8% and 12% per annum having maturity period of 5, 10 & 3 years and will mature on April 29, 2027, December 10, 2030 and July 4, 2026 respectively.

11. INVESTMENT IN DEBT SECURITIES

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

	Note	2025			2024		
		Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
Term finance certificates / corporate sukuks / bai' muajjal	11.1	4,662,344	-	4,665,312	3,526,448	-	3,539,281
		<u>4,662,344</u>	<u>-</u>	<u>4,665,312</u>	<u>3,526,448</u>	<u>-</u>	<u>3,539,281</u>

11.1 Term finance certificates / corporate sukuks / bai' muajjal

Details of the term finance certificates, corporate sukuks and bai' muajjal are as follows:

	Maturity date	2025	2024	Face Value	Carrying Value	Market Value
		(Number of certificates)		----- (Rupees in '000) -----		
Term finance certificates (TFCs)						
Bank Al Habib Limited - TFC	30-Sep-31	195,000	195,000	973,440	958,840	958,838
Samba Bank Limited - TFC	1-Mar-31	4,250	4,250	424,235	424,235	425,679
The Bank of Punjab II - TFC	17-Apr-28	2,580	2,580	99,900	98,152	98,152
The Bank of Punjab II - TFC	23-Apr-28	1,000	1,000	257,226	260,463	259,865
Askari Bank Limited VI - TFC	30-Jun-28	60	60	60,000	60,000	60,000
Askari Bank Limited VII - TFC	3-Jul-28	40	40	40,000	40,000	40,000
Habib Bank Limited II - TFC	26-Sep-34	500	500	50,000	50,000	50,000
Total Term Finance Certificates				1,904,801	1,891,690	1,892,534
Sukuks						
Meezan Bank Limited - Sukuk	16-Dec-31	450	450	450,000	440,499	442,491
Dubai Islamic Bank - Sukuk	2-Dec-32	22	22	22,000	22,044	22,176
Total Sukuks				472,000	462,543	464,667
Bai' muajjal						
Askari Bank Limited	23-Feb-26	1	-	531,606	523,834	523,834
Zarai Tarikiati Bank Limited	4-Feb-26	1	-	797,280	783,828	783,828
United Bank Limited	26-Jan-26	1	-	1,044,350	1,000,449	1,000,449
				<u>2,373,236</u>	<u>2,308,111</u>	<u>2,308,111</u>
As at December 31, 2025				4,750,037	4,662,344	4,665,312
Unrealised gain (note 28)				-	2,968	-
				<u>4,750,037</u>	<u>4,665,312</u>	<u>4,665,312</u>
				<u>3,534,640</u>	<u>3,539,281</u>	<u>3,539,281</u>

2025 2024
 Note -----(Rupees in '000)-----

12. INVESTMENT IN OPEN-ENDED MUTUAL FUNDS

Fair value through profit or loss (held for trading)

7,951,760 7,421,764

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

	2025			2024		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
------(Rupees in '000)-----						
Related parties	4,280,428	-	5,611,071	3,804,635	-	5,340,023
Others	2,307,102		2,340,689	1,962,526		2,081,741
	6,587,530	-	7,951,760	5,767,161	-	7,421,764

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

	2025		2024	
	No. of units	Market value (Rupees in 000)	No. of units	Market value (Rupees in 000)
Related parties - MCB Funds				
MCB Pakistan Stock Market Fund	8,403,078	3,052,220	8,715,370	1,985,548
Alhamra Islamic Stock Fund	26,628,590	811,906	58,448,080	1,281,766
Alhamra Islamic Income Fund	-	-	8,672,001	987,267
Alhamra Islamic Asset Allocation Fund	2,640,092	580,239	2,415,312	375,885
MCB Pakistan Dividend Yield Plan / Opportunity Fund Opportunity Fund	649,452	232,660	759,297	176,104
Pakistan Asset Allocation Fund	-	-	1,016,279	175,013
Alhamra Opportunity Fund-Dividend Strategy Plan	1,215,123	256,761	1,079,336	156,612
MCB Cash Management Optimizer	-	-	1,392,263	154,996
Alhamra Cash Management Optimizer	1,203,871	126,936	334,538	36,389
MCB Pakistan Sovereign Fund	85,127	4,938	172,630	10,406
MCB Pakistan Assets Allocation Fund	1,982,238	480,439	-	-
MCB Pakistan Dividend Yield Plan	180,923	64,814	-	-
Pakistan Income Fund	2,725	158	2,328	37
		5,611,071		5,340,023
Others				
Faysal Halal Amdani Fund	3,547,415	378,272	-	-
Faysal Halal Amdani Fund II	16,869,712	1,706,144	-	-
Faysal Halal Amdani Fund III	1,437,050	144,185	-	-
Faysal Islamic Sovereign Plan I	-	-	12,331,796	1,358,716
Faysal Islamic Special Income Plan III	-	-	6,619,336	717,820
Faysal Islamic Cash Fund	556,508	55,841	-	-
NBP Income Fund	542,678	5,740	-	-
NBP Income Fund of Fund-NBP Cash Plan I	-	-	474,037	5,205
NBP Fixed Term Munafa Plan	4,996,602	50,507	-	-
		2,340,689		2,081,741
Total		7,951,760		7,421,764

	2025	2024
Note	------(Rupees in '000)-----	
13. (INSURANCE / TAKAFUL) / (REINSURANCE / RETAKAFUL) RECEIVABLES		
Due from insurance contract holders - group life business	101,017	46,879
Due from reinsurers / retakaful operators	215,497	31,254
Net insurance / takaful / reinsurance / retakaful receivable	<u>316,514</u>	<u>78,133</u>

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

	2025	2024
Note	------(Rupees in '000)-----	
Related parties		
MCB Islamic Bank Limited	9,003	7,158
MCB Bank Limited	8,999	4,285
Others	7,289	3,860
	<u>25,291</u>	<u>15,303</u>

None of these balances are past due for more than 365 days.

14. LOANS, ADVANCES AND OTHER RECEIVABLES

Accrued income on investments	14.1	1,483,312	1,426,531
Receivable against the sale of investment		-	72,792
Advance to supplier		13,059	64,321
Security deposits		44,880	57,133
Other receivables		2,744	23,039
Loan to employees - secured	14.2	21,413	22,875
Dividend receivable		1,010	1,010
Receivable from related parties		-	500
		<u>1,566,418</u>	<u>1,668,201</u>

14.1 Accrued income on investments

Government securities	1,293,641	1,247,958
Return on bank balances	64,460	29,844
Debt securities	125,211	148,729
	<u>1,483,312</u>	<u>1,426,531</u>

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

		2025	2024
	Note	------(Rupees in '000)-----	
15. PREPAYMENTS			
Prepaid miscellaneous expenses	15.1	<u>91,053</u>	<u>52,847</u>

15.1 This includes a prepayment made to ORA-Tech Systems (Private) Limited for annual software and maintenance support for Oracle, amounting to Rs. 31.68 million (2024: Rs. 28.5 million).

		2025	2024
	Note	------(Rupees in '000)-----	
16. CASH AND BANK			
Cash and stamps in hand			
- Cash in hand		352	332
- Policy stamps		9,511	11,894
		<u>9,863</u>	<u>12,226</u>
Cash at bank			
- Current accounts		293,467	364,041
- Saving accounts	16.1	6,109,141	5,869,647
		<u>6,402,608</u>	<u>6,233,688</u>
		<u>6,412,471</u>	<u>6,245,914</u>

16.1 This carries profit rate ranging from 4% to 10.10% (December 31, 2024: 6.73% to 20.5%) per annum.

		2025	2024
	Note	------(Rupees in '000)-----	
16.2 Cash and cash equivalents			
Cash and cash equivalents includes the following for the purpose of cash flow statement:			
- Cash in hand and policy stamps	16	9,863	12,226
- Cash at bank	16	6,402,608	6,233,688
		<u>6,412,471</u>	<u>6,245,914</u>

17. ORDINARY SHARE CAPITAL

17.1 Authorised capital

	2025	2024	
	Number of shares in '000		
	<u>300,000</u>	<u>250,000</u>	Ordinary shares of Rs. 10 each
	<u>3,000,000</u>	<u>2,500,000</u>	

17.2 During the period, the Company has increased its authorised share capital from Rs. 2,500 million (250 million ordinary shares at Rs. 10 each) to Rs. 3,000 million (300 million ordinary shares at Rs. 10 each) as approved by its shareholders in their general meeting held on April 28, 2025.

			2025	2024
			------(Rupees in '000)-----	
17.3	Issued, subscribed and paid up share capital			
		2025	2024	
		(Number of shares in '000)		
		250,000	250,000	Ordinary shares of Rs. 10 each fully paid in cash
		12,500	-	Ordinary shares of Rs. 10 each issued as bonus shares (Note 17.4)
		262,500	250,000	
		2,500,000		2,500,000
		125,000		-
		2,625,000		2,500,000

17.4 On July 4, 2025, the Board of Directors of the Company had approved issuance of interim bonus shares in proportion of 5 share for each 100 shares held which has been credited in the CDC accounts of the entitled shareholders of the Company on August 13, 2025.

17.5 Share Capital includes Rs. 364.66 million (2024: Rs. 364.66 million) transferred to statutory funds.

17.6 As at December 31, 2025 Adamjee Insurance Company Limited and its nominees held 219.19 million ordinary shares (2024: 225 million ordinary shares) of Rs. 10 each.

			2025	2024
		Note	------(Rupees in '000)-----	
18.	INSURANCE / TAKAFUL LIABILITIES			
	Investment component of unit-linked and account value policies	18.1	116,322,232	99,728,428
	Reported outstanding claims (including claims in payment)	18.2	6,036,101	4,876,639
	Other insurance / takaful liabilities	18.3	1,108,086	982,361
	Liabilities under group insurance contracts (other than investment linked)	18.4	235,323	227,121
	Incurred but not reported claims	18.5	203,268	209,283
	Liabilities under individual conventional insurance / takaful contracts	18.6	27,744	29,904
	Gross insurance / takaful liabilities		123,932,754	106,053,736
	Surplus of Participant Takaful Fund	18.8	356,692	298,668
	Total Insurance / takaful liabilities		124,289,446	106,352,404
18.1	Investment component of unit linked and account value policies			
	Investment component of unit linked policies		116,050,081	99,074,261
	Investment component of account value policies		272,151	654,167
			116,322,232	99,728,428

	2025	2024
	------(Rupees in '000)-----	
18.2 Reported outstanding claims		
Gross of reinsurance / retakaful		
Payable within one year	6,036,101	4,876,639
Recoverable from reinsurers / retakaful operators	(205,704)	(50,067)
Net reported outstanding claims	<u>5,830,397</u>	<u>4,826,572</u>
18.3 Other insurance / takaful liabilities		
Gross of reinsurance / retakaful	1,224,950	1,091,882
Reinsurance / retakaful credit	(116,864)	(109,521)
Net of reinsurance / retakaful	<u>1,108,086</u>	<u>982,361</u>
18.4 Liabilities under group insurance / takaful contracts (other than investment linked)		
Gross of reinsurance / retakaful	513,639	472,988
Reinsurance / retakaful credit	(278,316)	(245,867)
Net of reinsurance / retakaful	<u>235,323</u>	<u>227,121</u>
18.5 Incurred but not reported claims		
Individual life		
Gross of reinsurance / retakaful	183,658	193,562
Reinsurance / retakaful recoveries	(41,455)	(51,560)
Net of reinsurance / retakaful	142,203	142,002
Group life		
Gross of reinsurance / retakaful	209,567	155,073
Reinsurance / retakaful recoveries	(148,502)	(87,792)
Net of reinsurance / retakaful	61,065	67,281
Net incurred but not reported claims	<u>203,268</u>	<u>209,283</u>
18.6 Liabilities under individual conventional insurance / takaful contracts		
Gross of reinsurance / retakaful	28,592	31,509
Reinsurance / retakaful credit	(848)	(1,605)
Net of reinsurance / retakaful	<u>27,744</u>	<u>29,904</u>

	Note	2025 ------(Rupees in '000)-----	2024
18.7 Net change in insurance / takaful liabilities (other than outstanding claims)			
Total Insurance / takaful liabilities	18	124,289,446	106,352,404
Reported outstanding claims (including claims in payment)	18.2	(6,036,101)	(4,876,639)
		118,253,345	101,475,765
Less: opening insurance / takaful liabilities (other than outstanding claims)		(101,475,765)	(76,182,934)
Net change in insurance / takaful liabilities (other than outstanding claims)		16,777,580	25,292,831

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

19. RETIREMENT BENEFIT OBLIGATION

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

19.1.1 Responsibility for the governance of the plans, including investment decisions and contribution schedules, lies with the Board of Trustees. The Company appoints the Trustees and all trustees are employees of the Company. Details of the Company's obligation under the staff gratuity scheme determined on the basis of an actuarial valuation carried out by an independent actuary as at December 31, 2025 under the Projected Unit Credit Method are as follows:

	Note	2025 ------(Rupees in '000)-----	2024
19.2 Statement of financial position reconciliation			
Present value of retirement benefit obligation	19.2.1	(311,063)	(306,556)
Fair value of plan assets	19.2.2	252,767	234,432
Net liability at end of the year	19.2.4	(58,296)	(72,124)

	Note	2025	2024
------(Rupees in '000)-----			
19.2.1 Movement in present value of retirement benefit obligation			
Present value of retirement benefit obligation at beginning of the year		(306,556)	(203,354)
Current service cost	19.2.3	(57,851)	(40,856)
Interest cost	19.2.3	(43,681)	(37,033)
Benefits paid during the year	19.2.2	123,931	33,004
Remeasurement loss on obligation:			
- due to changes in financial assumptions	19.2.3	(26,906)	(58,317)
Present value of defined benefit obligations at end of the year		(311,063)	(306,556)
19.2.2 Movement in fair value of plan assets			
Fair value of plan assets at beginning of the year		234,432	215,145
Contributions made by the Company to the Fund		111,000	5,000
Interest income on plan assets	19.2.3	29,999	35,158
Benefits paid during the year	19.2.1	(123,931)	(33,004)
Remeasurement gain on plan assets	19.2.3	1,267	12,133
Fair value of plan assets at end of the year		252,767	234,432
19.2.3 Expense recognized in statement of profit or loss and other comprehensive income			
Current service cost	19.2.1	(57,851)	(40,856)
Interest cost	19.2.1	(43,681)	(37,033)
Interest income on plan assets	19.2.2	29,999	35,158
Expense for the year recognized in the statement of profit or loss		(71,533)	(42,731)
Remeasurement loss on retirement benefit obligation	19.2.1	(26,906)	(58,317)
Remeasurement gain on fair value of plan assets	19.2.2	1,267	12,133
Amount recognized in the other comprehensive income		(25,639)	(46,184)
19.2.4 Net recognized (liability) / asset			
Net (liability) / surplus at beginning of the year		(72,124)	11,791
Net expense recognized in statement of profit or loss	19.2.3	(71,533)	(42,731)
Expense recognised in other comprehensive income	19.2.3	(25,639)	(46,184)
Contributions made to the Fund during the year		111,000	5,000
Net liability at end of the year	19.2	(58,296)	(72,124)

(Rupees in '000)

19.2.5 Estimated gratuity cost for the year ending December 31, 2026, is as follows:

Current service cost	63,583
Net interest cost	11,072
Total expense to be recognized in statement of profit or loss	74,655

19.3 Plan assets comprise of following:

	2025		2024	
	(Rupees in '000)	% age	(Rupees in '000)	% age
Government securities	166,882	66.02	212,428	90.61
Bank balances	32,183	9.39	21,996	9.39
Mutual funds	53,702	21.25	8	0.00
Fair value of plan assets at end of the year	252,767	100.00	234,432	100.00

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

19.4 The principal assumptions used in the actuarial valuations carried out as of December 31, 2025, using the 'Projected Unit Credit Method', are as follows:

	Gratuity fund	
	2025	2024
	------(%)-----	
Discount rate per annum	11	12.25
Expected per annum rate of return on plan assets	11	12.25
Expected per annum rate of increase in salary level	3.00 - 11.00	3.00 - 11.00
Expected mortality rate	LIC 94-96 Mortality table for males (rated down by 3 years for females)	LIC 94-96 Mortality table for males (rated down by 3 years for females)
Expected withdrawal rate	60	60

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

Salary risks

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

Discount risks

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

Mortality / withdrawal risks

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

Investment risks

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

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

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

19.5 Sensitivity analysis for actuarial assumptions

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

	2025	2024
	------(Rupees in '000)-----	
Discount rate (1% increase)	(18,228)	(14,737)
Discount rate (1% decrease)	20,666	16,616
Future salary increase rate (1% increase)	22,038	18,316
Future salary increase rate (1% decrease)	(19,776)	(16,537)

The impact on retirement benefit obligation due to increase in life expectancy by 1 year would be Rs. 1,439 (2024: Rs. 40,029)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation

to significant assumptions, same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

19.6 The weighted average duration of the retirement benefit obligation is 7.43 years. Besides the number of employees covered in the scheme at December 31, 2025 were 627 (2024: 832).

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

	(Rupees in '000)
Less than a year	13,730
Between 1 - 2 years	3,405
Between 2 - 3 years	9
Between 3 - 4 years	10,881
Between 4 - 5 years	1,372

19.8 Historical Information

	2025	2024	2023	2022	2021
	----- (Rupees in '000) -----				
Present value of retirement benefit obligation	311,063	306,556	203,354	189,140	178,588
Fair value of plan assets	(252,767)	(234,432)	(215,145)	(184,274)	(185,048)
Deficit / (surplus)	<u>58,296</u>	<u>72,124</u>	<u>(11,791)</u>	<u>4,866</u>	<u>(6,460)</u>

19.9 Experience adjustment

	2025	2024	2023	2022	2021
Experience adjustments on obligation	<u>9%</u>	<u>19%</u>	<u>1%</u>	<u>-10%</u>	<u>-24%</u>
Experience adjustments on asset	<u>1%</u>	<u>5%</u>	<u>5%</u>	<u>-9%</u>	<u>-4%</u>

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

	2025	2024
Note	------(Rupees in '000)-----	
20. DEFERRED TAXATION		
Deferred credits arising due to:		
Retained earnings - Ledger Account D	1,310,223	1,211,328
Financial assets at fair value through profit or loss - unrealised	96,623	42,659
Financial assets at available for sale - unrealised	73,590	-
Lease liability against ROU assets - net	-	2,167
	1,480,436	1,256,154
	1,480,436	1,256,154
Deferred debits arising due to:		
Retirement benefit obligation	(28,011)	(18,012)
Fixed assets and intangibles	(18,111)	(13,310)
Lease liability against ROU assets - net	(25,853)	-
Financial assets at available for sale - unrealised	-	(7,015)
Others	(41,815)	-
	(113,790)	(38,337)
Deferred tax liability	20.1 1,366,646	1,217,817

	2025			
	Balance as at January 01, 2025	Recognised in profit & loss account	Recognised in other comprehensi ve income	Balance as at December 31, 2025
	------(Rupees in '000)-----			
20.1 Deductible / (taxable) temporary differences				
On retained earning - Ledger account D	(1,211,328)	(98,895)	-	(1,310,223)
Lease liability against ROU assets - net	(2,167)	28,020	-	25,853
Financial assets at fair value through profit or loss - unrealised	(42,659)	(53,964)	-	(96,623)
Financial assets at available for sale - unrealised	7,015	(7,015)	(73,590)	(73,590)
Fixed assets and intangibles	13,310	4,801	-	18,111
Retirement benefit obligations	18,012	-	9,999	28,011
Others	-	41,815	-	41,815
	(1,217,817)	(85,238)	(63,591)	(1,366,646)

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

	Note	2025	2024
		----- (Rupees in '000) -----	
21. LEASE LIABILITIES	21.1	569,115	660,903
21.1 Lease liabilities - movement			
Opening balances		660,903	103,455
Addition during the year		19,761	623,069
Derecognition during the year		(23,977)	-
		656,687	726,524
Finance cost	21.3	82,716	23,012
		739,403	749,536
Rental payments		(170,288)	(88,633)
Closing balances		569,115	660,903
		112,855	104,752
Current portion		456,260	556,151
Non-current portion		569,115	660,903

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

21.3 Out of total finance cost on lease liabilities of Rs. 82.71 million (2024: Rs.23.01 million), an amount of Rs. 49.22 (2024: Rs. 11.74) million has been classified under finance costs and Rs.33.49 million (2024:Rs.11.26) million has been classified as branch overheads under acquisition expenses.

21.4 Maturity Analysis

	2025			2024		
	Present value of minimum lease payments	Future financial charges	Minimum lease payments	Present value of minimum lease payments	Future financial charges	Minimum lease payments
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Not later than one year	112,855	67,020	179,875	104,752	82,185	186,937
Later than one year but not later than three years	156,122	90,944	247,066	274,478	117,798	392,276
Later than three years but not later than five years	300,138	81,932	382,070	281,673	35,215	316,888
	569,115	239,896	809,011	660,903	235,198	896,101
				2025		2024
				Note	----- (Rupees in '000) -----	

22. REINSURANCE / RETAKAFUL PAYABLES

Due to reinsurers / retakaful operators

270,509	164,253
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23. OTHER CREDITORS AND ACCRUALS

Agents commission payable

564,121	633,764
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Accrued expenses

23.1 498,537	515,262
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Other tax payable

24,980	35,200
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Payable to related parties

6,908	12,977
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1,094,546	1,197,203
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23.1 This includes provision for compensated absences amounting in aggregated to Rs. 102.84 million (December 31, 2024: Rs. 90.87 million) and provision against expenses amounting to Rs. 236.97 million (December 31, 2024: Rs. 277.7 million).

24. CONTINGENCIES AND COMMITMENTS**24.1 CONTINGENCIES****24.1.1 Sales tax on life insurance premium**

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

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

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

In view of the opinion of the legal advisors, and pending the adjudication of the subject matter, the Company has neither billed its customers, nor recognised the contingent liability for Sind Sales Tax, Punjab Sales Tax & Khyber Pakhtunkhwa Sales Tax, which, calculated on the basis of risk premium only and excluding the investment component allocated to unit linked policies, aggregated to Rs 1,660 million (December 31, 2024: Rs. 1,338 million). In Baluchistan province, given that the Company has limited operations in that province, the amount of contingent sales tax liability for Baluchistan Sales Tax on Services, calculated on the similar basis as Sind Sales Tax, Punjab Sales Tax & Khyber Pakhtunkhwa Sales Tax, is immaterial. The Company, based on the opinions of the legal advisors, is confident about the favorable outcome of the case. Meanwhile, the life insurance companies will collectively continue their administrative efforts through IAP platform to reach an amicable settlement with the provincial revenue authorities. Should the administrative efforts fails, the Company will pursue the outcome of the petitions filed. The Company is highly optimistic that any unfavorable decision will not be applied retrospectively. Hence, charging of sales tax to policyholder, will apply prospectively. In the unlikely event of retrospective application by the authorities, the entire amount will be borne by the Shareholders' fund.

24.1.2 Income tax

Additional Commissioner Inland Revenue (ACIR), Range B, Zone VI, Large Taxpayers Office, Karachi issued orders dated December 29, 2023, December 26, 2024 and December 19, 2025 u/s 122(5A) of the Income Tax Ordinance, 2001 to the Company for tax year 2018, tax year 2019 and tax year 2020. In the aforementioned orders, ACIR demanded minimum tax of Rs. 197.19 million, Rs. 197.67 million and Rs. 136.41 million for tax year 2018, tax year 2019 and tax year 2020 respectively under section 113 of the Ordinance @ 1.25% on the gross turnover of the Company taking into account the entire gross receipts of Statutory funds which essentially is attributable to policyholders' funds, the taxability of which is dealt with separately under the Fourth Schedule of the Income Tax Ordinance, 2001.

The Company, through its tax consultant had filed appeals for tax year 2018 before Income Tax Commissioner (Appeals) and for tax year 2019 and tax year 2020, directly to Appellate Tribunal Inland Revenue (as per the new rules). The decision against all the appeals is pending. The grounds of the appeals were that owing to the special nature of insurance business, ACIR, has ignored the well-settled principles that used to calculate the income tax liability of life assurance business. Rules 1, 2 and 3 of the Fourth Schedule to the Ordinance overrides the provisions of the Ordinance by virtue of section 99 of the Ordinance. Rule 2 of the Fourth Schedule provides that profit and gains of a life insurance business shall be the current year's surplus appropriated to P&L Account as per the advice of the appointed Actuary. It is evident that tax can only be levied on shareholder's surplus appropriated to P&L account whereas policyholder's surplus is exempt from tax.

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

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

24.2 COMMITMENTS

24.2.1 Commitments in respect of Ijarah rentals

	2025	2024
	------(Rupees in '000)-----	
Not later than one year	24,210	48,858
Later than one year and not later than five years	4,982	35,091
	<u>29,192</u>	<u>83,949</u>

Commitments represent Ijarah rentals for vehicles payable in future period.

	2025	2024
	------(Rupees in '000)-----	
25. NET PREMIUM / CONTRIBUTION REVENUE		
Gross Premiums / Contributions		
Regular Premium / Contributions individual policies*		
- first year	4,020,179	2,806,172
- second year renewal	2,189,868	2,130,498
- subsequent years renewal	7,994,677	7,992,781
Total Regular Premium / Contributions individual policies	14,204,724	12,929,451
Single premium / contributions individual policies*	20,847,134	17,086,687
Group policies / contracts without cash values	1,427,331	1,105,582
Less: experience refund	(66,510)	(152,890)
Total gross premiums / contributions	36,412,679	30,968,830
Less: reinsurance premiums / retakaful contributions ceded		
On individual life first year business	(57,923)	(45,136)
On individual life second year business	(28,688)	(32,829)
On individual life subsequent renewal business	(101,059)	(124,172)
On individual life single premium business	(13,970)	(6,990)
On group policies	(859,175)	(575,154)
Less: experience refund from reinsurers	77,744	100,142
	(983,071)	(684,139)
Net premiums / contributions	35,429,608	30,284,691
* Individual policies are those underwritten on an individual basis.		
26. INVESTMENT INCOME		
Income from equity securities and open-ended mutual funds		
Dividend income		
Available for sale	73,117	42,672
Fair value through profit or loss (held for trading)	1,304,111	1,227,513
	1,377,228	1,270,185
Income from government securities		
Fair value through profit or loss (held for trading)	10,107,030	12,988,102
Income from debt securities - fair value through profit or loss		
Return on TFCs, corporate sukuks and bai' muajjal	502,385	760,228
Income from term deposit receipts - held to maturity		
Return on term deposit receipts	-	8,029
	11,986,643	15,026,544

	2025	2024
	------(Rupees in '000)-----	
27. NET REALISED FAIR VALUE GAINS ON FINANCIAL ASSETS		
<i>Fair value through profit or loss</i>		
Realised gains / (losses) on:		
- Equity securities	2,967,496	3,388,235
- Government securities	177,376	467,213
- Open-ended mutual funds	812,235	1,434,828
- Debt securities	(9,351)	-
	<u>3,947,756</u>	<u>5,290,276</u>
28. NET FAIR VALUE GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED		
<i>Net unrealised gains on:</i>		
- Equity securities	2,526,786	2,627,784
- Government securities	795,578	1,499,116
- Debt securities	2,968	12,833
- Open-ended mutual funds	1,364,230	1,654,603
Total gains	<u>4,689,562</u>	<u>5,794,336</u>
Investment related expenses	(154,936)	(150,652)
	<u>4,534,626</u>	<u>5,643,684</u>
29. OTHER INCOME		
Return on bank balances	494,458	718,349
Mark-up on policy loans	419	1,048
Gain / (loss) on disposal of fixed assets	6,809	(692)
Miscellaneous income	74	99
	<u>501,760</u>	<u>718,804</u>
30. CHANGE IN UNREALISED GAIN / (LOSS) ON AVAILABLE-FOR-SALE FINANCIAL ASSET		
- Equity securities	<u>188,692</u>	<u>(17,987)</u>

	2025	2024
	------(Rupees in '000)-----	
31. NET INSURANCE / TAKAFUL BENEFITS		
Gross claims		
Claims under individual policies / contracts		
- by death	(780,241)	(696,259)
- by insured event other than death	(12,813)	(13,521)
- by maturity	(11,696,288)	(9,214,096)
- by surrender	(19,388,239)	(14,260,267)
Total gross individual policy claims	(31,877,581)	(24,184,143)
Claims under group policies / contracts		
- by death	(1,006,617)	(554,211)
- by insured event other than death	(29,049)	(17,466)
Total gross group policy claims	(1,035,666)	(571,677)
Total gross claims	(32,913,247)	(24,755,820)
Less: reinsurance / retakaful recoveries		
- on individual life claims	83,538	81,829
- on group life claims	747,748	329,144
	831,286	410,973
Net insurance / takaful benefit expense (excluding claims related expenses)	(32,081,961)	(24,344,847)

31.1 Claim development table

31.1.1 Individual life claims

Incident year	Incident reported				2025
	2021	2022	2023	2024	
	------(Rupees in '000)-----				
Estimate of ultimate claim costs:					
At the end of accident year	449,291	331,935	452,924	360,083	474,677
One year later	705,685	538,662	687,953	618,537	-
Two years later	767,763	588,531	720,502	-	-
Three years later	778,910	597,678	-	-	-
Four years later	788,509	-	-	-	-
Current estimate of cumulative claims	788,509	597,678	720,502	618,537	474,677
Less: cumulative payments to date	(774,076)	(580,447)	(694,635)	(582,766)	(370,737)
	14,433	17,231	25,867	35,771	103,940
Sum of 2021 to 2025 outstanding claims					197,242
Claims outstanding prior to 2021, as at December 31 2025					40,034
Liability recognised in the statement of financial position					237,276

31.1.2 Group life claims

Incident year	Incident reported				
	2021	2022	2023	2024	2025
	----- (Rupees in '000) -----				
Estimate of ultimate claim costs:					
At the end of accident year	343,287	285,806	421,621	449,196	865,175
One year later	405,694	383,032	534,957	611,068	-
Two years later	407,794	386,767	537,306	-	-
Three years later	408,759	386,767	-	-	-
Four years later	408,759	-	-	-	-
Current estimate of cumulative claims	408,759	386,767	537,306	611,068	865,175
Less: cumulative payments to date	(408,033)	(384,767)	(533,761)	(609,441)	(623,071)
	<u>726</u>	<u>2,000</u>	<u>3,545</u>	<u>1,627</u>	<u>242,104</u>
Sum of 2021 to 2025 outstanding claims					250,002
Claims outstanding prior to 2021, as at December 31 2025					4,658
Liability recognised in the statement of financial position					<u>254,660</u>

31.1.3 Insurance benefits unclaimed at year end

	Total	1-6 months	7-12 months	13-24 months	25-36 months	Beyond 36 months
	----- (Rupees in '000) -----					
For the year ended December 31, 2025						
Unclaimed maturity benefits	4,320,194	1,810,695	845,449	794,390	369,273	500,387
Unclaimed death benefits	-	-	-	-	-	-
Claims not encashed	168,478	168,478	-	-	-	-
	<u>4,488,672</u>	<u>1,979,173</u>	<u>845,449</u>	<u>794,390</u>	<u>369,273</u>	<u>500,387</u>

	Note	2025 ------(Rupees in '000)-----	2024
32. ACQUISITION EXPENSES			
Remuneration to insurance / takaful intermediaries on individual policies / contracts:			
- Commission on first year premiums / contributions		(1,147,698)	(835,255)
- Commission on second year premiums / contributions		(125,924)	(124,298)
- Commission on subsequent years renewal premiums / contributions		(200,947)	(192,669)
- Commission on single premiums / contributions		(571,411)	(482,919)
- Other benefits to insurance / takaful intermediaries		(377,369)	(516,470)
		(2,423,349)	(2,151,611)
Remuneration to insurance / takaful intermediaries on group policies:			
- Commission		(28,416)	(22,257)
- Other benefits to insurance / takaful intermediaries		(4,012)	(2,397)
		(32,428)	(24,654)
Other acquisition costs			
- Employee benefit cost	32.1	(688,984)	(660,342)
- Car, fuel and maintenance		(82,276)	(87,153)
- Office repairs and maintenance		(90,329)	(86,508)
- Marketing cost		(136,144)	(84,889)
- Stamp duty		(82,382)	(62,292)
- Rent, rates and taxes		(3,413)	(57,500)
- Depreciation		(46,911)	(46,022)
- Electricity, gas and water		(33,699)	(36,957)
- Depreciation - Right of use asset	7.2	(77,011)	(31,107)
- Travelling expenses		(22,676)	(19,250)
- Entertainment		(13,058)	(15,319)
- Training and development		(17,305)	(13,656)
- Postage		(12,483)	(13,219)
- Legal and professional charges		(10,873)	(11,891)
- Financial charges	21.3	(33,495)	(11,275)
- Information technology expenses		(8,824)	(8,323)
- Printing and stationery		(3,291)	(4,758)
- Insurance cost		(8,823)	(4,750)
- Medical examination fee		(3,651)	(2,265)
- Write off against property and equipment		(564)	(32)
- Amortisation		-	(15)
- Miscellaneous		98	-
		(1,376,094)	(1,257,523)
		(3,831,871)	(3,433,788)

32.1 Employee benefit cost includes charges for post employment benefit of Rs. 28.29 million (December 31, 2024: Rs. 10.243 million).

	Note	2025	2024
------(Rupees in '000)-----			
33. MARKETING AND ADMINISTRATION EXPENSES			
Employee benefit cost	33.1	(725,493)	(685,585)
Information technology expenses		(136,189)	(122,206)
Postages, telegrams and telephone		(86,062)	(84,238)
Legal and professional charges		(63,603)	(71,733)
Advertisements and sales promotion		(46,483)	(59,165)
Office repairs and maintenance		(70,489)	(55,647)
Vehicle running expenses		(59,469)	(50,739)
Depreciation - Right of use asset	7.2	(79,814)	(45,113)
SECP annual supervision fee		(37,469)	(33,552)
Depreciation		(50,668)	(32,339)
Electricity, gas and water		(25,816)	(26,141)
Appointed actuary fees		(19,242)	(16,554)
Printing and stationery		(17,745)	(13,812)
Travelling expenses		(19,198)	(10,329)
Bank charges		(10,944)	(9,395)
Entertainment		(9,810)	(6,829)
Amortisation		(6,033)	(6,426)
Write off against property and equipment		(78)	(6,089)
Insurance cost		(4,797)	(4,721)
Miscellaneous		(288)	(2,246)
Rent, rates and taxes		(9,841)	(1,984)
Training and development		(5,774)	(1,670)
Directors' fee		(1,003)	(850)
		(1,486,308)	(1,347,363)
33.1 Employee benefit cost			
Salaries, allowances and other benefits		(682,252)	(653,097)
Charges for post employment benefit		(43,241)	(32,488)
		(725,493)	(685,585)
34. OTHER EXPENSES			
Workers' welfare fund		(37,127)	(70,092)
Auditor's remuneration	34.1	(8,731)	(8,758)
Fee and subscription		(4,559)	(3,772)
Charity and donations	34.2	(2,235)	(1,631)
Loss on derecognition of ROU asset		(2,594)	-
		(55,246)	(84,253)

	2025	2024
	------(Rupees in '000)-----	
34.1 Auditors' remuneration		
Annual audit fee	(3,169)	(3,057)
Annual audit fee - staff gratuity fund	(61)	(99)
Half yearly review	(1,106)	(1,092)
Annual review / half year review - Window Takaful Operations	(986)	(1,053)
Other certifications	(2,299)	(2,449)
Out of pocket expenses	(1,110)	(1,008)
	<u>(8,731)</u>	<u>(8,758)</u>
34.2 Charity and donations		
This represents the charity payable against purification of income of Sharia compliant securities.		
34.3 During the year, the Company paid charity to the following organisations above rupees five hundred thousand:		
	2025	2024
	------(Rupees in '000)-----	
The Kiran Foundation	-	509
The Hunar Foundation	-	500
Indus Hospital & Health Network	1,238	-
Sindh Institute of Urology and Transplantation (SIUT)	1,238	-
	<u>2,476</u>	<u>1,009</u>
35. FINANCE COSTS		
Interest expense on lease liabilities	<u>(49,221)</u>	<u>(11,737)</u>
36. INCOME TAX EXPENSE		
For the period		
- Current	(705,701)	(396,386)
- Prior	(39,534)	-
- Deferred	(85,238)	(585,548)
	<u>(830,473)</u>	<u>(981,934)</u>

	2025	2024
	------(Rupees in '000)-----	
36.1 Relationship between tax expense and accounting profit		
Profit before tax	2,144,784	2,536,239
Applicable tax at the rate of 29%	621,987	735,509
Effect of super tax on current year's profit	214,478	253,624
Effect of prior period tax charge	39,534	-
Others	(45,526)	(7,199)
Tax expense for the year	830,473	981,934

36.2 Subsequent to the reporting date, the Federal Constitutional Court of Pakistan upheld the constitutional validity of Section 4C of the Income Tax Ordinance, 2001 and confirmed its retrospective applicability from Tax Year 2022. The Company had already recognized the related super tax provision in the respective financial years; accordingly, no further adjustment is required in these financial statements.

	2025	2024
	------(Rupees in '000)-----	
37. EARNINGS PER SHARE		
Profit after tax for the year	1,314,311	1,554,305
	--(Number of shares in '000)--	
		(Restated)
Weighted average number of ordinary share outstanding as at period end	37.1 262,500	262,500
	------(Rupees)-----	
		(Restated)
Basic earnings per share	37.2 5.01	5.92

37.1 Weighted average number of shares outstanding and earnings per share for the year ended December 31, 2024 have been restated taking into account the effect of bonus shares issued during the year.

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

38 RELATED PARTIES**38.1 List of related parties**

Name of related party	Relationship	% of Share holding
Adamjee Insurance Company Limited	Parent Company	83.5%
D.G. Khan Cement Company Limited	Common Directorship	-
Nishat Mills Limited	Common Directorship	-
MCB Bank Limited	Common Directorship	-
Nishat Chunian Power Limited	Group Entity	-
Din Farm Products (Private) Limited	Common Directorship	-
Din Leather (Private) Limited	Common Directorship	-
Din Textile Mills Limited	Common Directorship	-
Emporium Properties (Private) Limited	Common Directorship	-
Golf View Land (Private) Limited	Common Directorship	-
Hyundai Nishat Motor (Private) Limited	Common Directorship	-
MCB Investment Management Limited	Group Entity	-
National Textile Foundation	Common Directorship	-
Nishat Agriculture Farming (Private) Limited	Common Directorship	-
Nishat Agrotech Farms (Private) Limited	Common Directorship	-
Nishat Dairy (Private) Limited	Common Directorship	-
Nishat Developers (Private) Limited	Common Directorship	-
Nishat Hotels & Properties Limited	Common Directorship	-
Nishat Linen (Private) Limited	Common Directorship	-
Nishat Sutas Dairy Limited	Common Directorship	-
Pakistan Aviators & Aviation (Private) Limited	Group Entity	-
Pakgen Power Limited (Formerly Aes Pak Gen (Private) Company)	Common Directorship	-
Mr. Ismail Arif Rafi	Director	-
Mr. Imran Maqbool	Director	-
Mr. Muhammad Ali Zeb	Director	-
Mr. S.M. Jawed	Director	-
Mr. Umer Mansha	Director	-
Mrs. Naz Mansha	Director	-
Nishat (Aziz Avenue) Hotels & Properties Limited	Common Directorship	-
Nishat (Raiwind) Hotels & Properties Limited	Common Directorship	-
MCB Bank Limited - Provident Fund	Group Entity	-
Lalpir Power Limited	Group Entity	-
Nishat Packaging Limited	Group Entity	-
MCB Exchange Company (Private) Limited	Group Entity	-
MCB Islamic Bank Limited	Common Directorship	-
MCB Employees Foundation	Common Directorship	-
Nishat Commodities (Private) Limited	Group Entity	-

Name of related party	Relationship	% of Share holding
Nishat Hospitality (Private) Limited	Group Entity	-
Nishat International FZE	Group Entity	-
Nishat Linen Trading LLC	Group Entity	-
Nishat Power Limited	Group Entity	-
Nishat Real Estates Development Company (Private) Limited	Group Entity	-
Nishat UK (Private) Limited	Group Entity	-
Nishat USA Incorporated	Group Entity	-
Security General Insurance Company Limited	Group Entity	-
Adamjee Life Assurance Company Limited Employee Gratuity Fund	Other Related Party	-
MCB Non-Bank Credit Organization, CJSC, Azerbaijan	Other Related Party	-
Deposit Protection Corporation	Common Directorship	-
Export Import Bank of Pakistan	Common Directorship	-
Mr. Manzar Mushtaq	Key management personnel	-
Mr. Jalal Meghani	Key management personnel	-
Mr. Bakht Jamal	Key management personnel	-
Mr. Amin Nizar Ali	Key management personnel	-
Ms. Zehra Faiz	Key management personnel	-
Mr. Absar Azeem Burney	Key management personnel	-
Mr. Athar Chaudhry	Key management personnel	-
Mr. Adeel Anwer	Key management personnel	-
Mr. Asif Mirza	Key management personnel	-
Mr. Imran Ali	Key management personnel	-
Mr. Syed Sheraz Ali Bukhari	Key management personnel	-
Mr. Syed Samad Ali Naqvi	Key management personnel	-
Mr. Iftikhar Javeed	Key management personnel	-
Mr. Arslan Tahir	Key management personnel	-
Mr. Muhammad Shahid Hameed	Key management personnel	-
Mr. Shahid Javeed	Key management personnel	-
Ms. Rahila Ashraf	Key management personnel	-
Mr. Muhammmad Amin Sheikh	Key management personnel	-

38. RELATED PARTY TRANSACTIONS

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

	2025	2024
	------(Rupees in '000)-----	
Transactions during the period		
Holding company		
Premium written	12,144	9,476
Insurance expense	51,821	38,526
Premises rental	76,299	67,941
Rental income	3,100	2,813
Dividend paid	444,184	449,997
Associated undertakings		
Premium / contribution written	573,551	519,107
Claims expense	411,555	263,314
Commission and other incentives in respect of bancassurance	1,763,923	1,371,326
Profit on bank deposits	487,608	573,457
Bank charges	7,752	8,626
Investments purchased	8,606,851	3,893,837
Investments sold	10,344,380	5,935,266
Dividend income	440,129	858,995
Others	1,538	6,946
Dividend paid	34,557	18,236
Other related parties		
Premium / contribution written	43,105	33,819
Claims expense	3,491	19,556
Investments purchased	35,230	220,358
Investments sold	39,331	364,763
Investment advisor fee	37,299	27,307
Dividend paid	7,409	7,228
Directors		
Fee	1,003	850
Dividend paid	4	4
Key management personnel		
Remuneration	285,719	271,531
Advances given to key management personnels	12,305	9,141
Recoveries against advances to key management personnels	6,834	7,841
Staff retirement benefit plan (gratuity fund)		
Charge for the year - OCI	25,639	46,184
Charge for the year	71,533	42,731

	2025	2024
	------(Rupees in '000)-----	
Balances outstanding as at the end of the year		
Holding company		
Insurance premium receivable	-	4
Claims and other payable	393	350
Associated undertakings		
Premium / contribution due but unpaid	18,162	11,555
Bank deposits	5,956,607	5,955,836
Investments held	10,523,232	8,847,037
Commission payable	333,036	408,994
Claims payable	14,186	4,036
Premium received in advance	1,047	5,021
Other related parties		
Premium / contribution due but unpaid	6,680	3,744
Premium received in advance	773	130
Key management personnel		
Short term loans (as per policy)	2,801	6,384
Retirement benefit plan (gratuity fund)		
Payable to gratuity fund	(58,296)	(72,124)

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	------(Rupees in '000)-----					
Fee	-	-	1,003	850	-	-
Managerial remuneration	22,847	20,928	-	-	412,336	359,376
Compensated absence	1,419	860	-	-	21,207	20,117
Bonus	10,464	9,513	-	-	121,179	107,650
Rent and house maintenance	9,139	8,371	-	-	164,934	143,751
Utilities	2,285	2,093	-	-	41,234	35,938
Medical	660	630	-	-	31,182	28,440
Conveyance, other allowance and benefits	60	90	-	-	143,810	124,739
	46,874	42,485	1,003	850	935,882	820,011
Number of persons	1	1	6	6	306	279

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

40. SEGMENTAL INFORMATION

**40.1 Revenue account by statutory fund
For the year ended December 31, 2025**

Note	Statutory Funds							
	Conventional Business	Accident and Health Business	Non-united Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business	Total	
	(Rupees in '000)							
Income								
Premiums / contributions less reinsurances / re-takaful	25	424,249	27	11,082	29,156,629	5,711,107	126,514	35,429,608
Rental income from investment property		-	-	-	3,100	-	-	3,100
Unrealised gain on investment property	8	-	-	-	27,500	-	-	27,500
Net investment income		218,108	655	129,272	16,979,674	2,788,031	42,472	20,158,212
Total net income		642,357	682	140,354	46,166,903	8,499,138	168,986	55,618,420
Insurance / takaful benefits and expenditures								
Insurance benefits net of reinsurance / retakaful		(238,132)	-	(440,585)	(28,344,475)	(3,013,241)	(49,550)	(32,085,983)
Management expenses less recoveries		(125,788)	(17)	(726)	(3,865,140)	(1,241,192)	(18,766)	(5,251,629)
Total insurance / takaful benefits and expenditures		(363,920)	(17)	(441,311)	(32,209,615)	(4,254,433)	(68,316)	(37,337,612)
Excess / (deficit) of income over insurance / takaful benefits and expenditures		278,437	665	(300,957)	13,957,288	4,244,705	100,670	18,280,808
Add: policyholders' liabilities at beginning of the period		305,092	1,652	745,074	84,817,811	15,466,070	140,066	101,475,765
Less: policyholders' liabilities at end of the period		285,971	12	299,983	98,195,204	19,262,738	209,437	118,253,345
Net change in insurance / takaful liabilities (other than outstanding claims)		19,121	1,640	445,091	(13,377,393)	(3,796,668)	(69,371)	(16,777,580)
Surplus before tax		297,558	2,305	144,134	579,895	448,037	31,299	1,503,228
Movement in policyholders' liabilities		(19,121)	(1,640)	(445,091)	13,377,393	3,796,668	69,371	16,777,580
Transfer (to) and from Shareholders Fund								
Surplus appropriated to shareholders fund		-	-	(150,000)	(800,000)	(300,000)	-	(1,250,000)
Balance of statutory funds at beginning of the period		818,312	5,269	885,864	86,872,317	16,130,953	233,675	104,946,390
Balance of statutory funds at end of the period		1,096,749	5,934	434,907	100,029,605	20,075,658	334,345	121,977,198
Represented by:								
Capital contribution by shareholders fund		327,515	1,511	-	-	-	35,630	364,656
Policyholders' liabilities		285,971	12	299,983	98,195,204	19,262,738	209,437	118,253,345
Retained earning on other than participating business		483,263	4,411	134,924	1,834,401	812,920	89,278	3,359,197
		1,096,749	5,934	434,907	100,029,605	20,075,658	334,345	121,977,198

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

Note	Statutory Funds						Total	
	Conventional Business	Accident and Health Business	Non-united Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business		
	(Rupees in 000)							
Income								
	25	345,676	3,535	23,390	25,763,992	4,065,482	82,616	30,284,691
		-	-	-	2,813	-	-	2,813
	8				89,406			89,406
		212,405	200	350,410	21,550,550	3,635,322	43,715	25,792,602
		558,081	3,735	373,800	47,406,761	7,700,804	126,331	56,169,512
Insurance / takaful benefits and expenditures								
		(204,131)	-	(789,195)	(20,748,007)	(2,566,842)	(41,832)	(24,350,007)
		(87,685)	(1,338)	(1,479)	(3,544,485)	(990,935)	(11,695)	(4,637,617)
		(291,816)	(1,338)	(790,674)	(24,292,492)	(3,557,777)	(53,527)	(28,987,624)
		266,265	2,397	(416,874)	23,114,269	4,143,027	72,804	27,181,888
		261,143	1,324	1,315,617	62,792,011	11,702,085	110,754	76,182,934
		305,092	1,652	745,074	84,817,811	15,466,070	140,066	101,475,765
		(43,949)	(328)	570,543	(22,025,800)	(3,763,985)	(29,312)	(25,292,831)
		222,316	2,069	153,669	1,088,469	379,042	43,492	1,889,057
		43,949	328	(570,543)	22,025,800	3,763,985	29,312	25,292,831
Transfer (to) and from Shareholders Fund								
		-	-	(75,000)	(300,000)	(125,000)	-	(500,000)
		-	-	-	-	-	22,550	22,550
		-	-	-	-	-	(22,550)	(22,550)
		-	-	(75,000)	(300,000)	(125,000)	-	(500,000)
		552,047	2,872	1,377,738	64,058,048	12,112,926	160,871	78,264,502
		818,312	5,269	885,864	86,872,317	16,130,953	233,675	104,946,390
Represented by:								
		327,515	1,511	-	-	-	35,630	364,656
		305,092	1,652	745,074	84,817,811	15,466,070	140,066	101,475,765
		185,705	2,106	140,790	2,054,506	664,883	57,979	3,105,969
		818,312	5,269	885,864	86,872,317	16,130,953	233,675	104,946,390

40.2 Segmental statement of financial position

	As at December 31, 2025		
	Statutory Funds	Shareholders' Fund	Total
	----- (Rupees in '000) -----		
Property and equipment	-	403,889	403,889
Intangible assets	-	20,831	20,831
Right of use assets	74,665	428,159	502,825
Investment property	1,182,300	-	1,182,300
Investments			
Equity securities	16,893,935	1,196,634	18,090,569
Government securities	89,989,173	2,765,916	92,755,089
Debt securities	4,665,312	-	4,665,312
Open-ended mutual funds	7,502,582	449,178	7,951,760
Loan secured against life insurance policies	5,977	-	5,977
(Insurance / takaful) / (reinsurance / retakaful) receivables	316,514	-	316,514
Loans, advances and other receivables	1,474,427	91,991	1,566,418
Taxation - payment less provision	1,167,438	(539,914)	627,524
Prepayments	-	91,053	91,053
Cash at bank	6,326,547	85,924	6,412,471
Total assets	129,598,870	4,993,661	134,592,532
Insurance / takaful liabilities	124,289,446	-	124,289,446
Retirement benefit obligations	5,827	52,469	58,296
Deferred tax liability	1,311,094	55,552	1,366,646
Lease liabilities	64,812	504,303	569,115
Premium / contribution received in advance	609,889	-	609,889
Reinsurance / retakaful payables	270,509	-	270,509
Unclaimed dividends	-	83	83
Other creditors and accruals	633,939	460,607	1,094,546
Total liabilities	127,185,516	1,073,014	128,258,530
	As at December 31, 2024		
	Statutory Funds	Shareholders Fund	Total
	----- (Rupees in '000) -----		
Property and equipment	-	235,496	235,496
Intangible assets	-	21,830	21,830
Right of use asset	87,800	578,660	666,460
Investment property	1,154,800	-	1,154,800
Investments			
Equity securities	14,620,180	587,772	15,207,952
Government securities	77,422,202	2,160,254	79,582,456
Debt securities	3,539,281	-	3,539,281
Open-ended mutual funds	7,131,749	290,015	7,421,764
Loan secured against life insurance policies	8,389	-	8,389
(Insurance / takaful) / (reinsurance / retakaful) receivables	78,133	-	78,133
Loans, advances and other receivables	1,632,018	36,183	1,668,201
Taxation - payment less provision	1,085,735	(524,309)	561,426
Prepayments	-	52,847	52,847
Cash at bank	5,368,123	877,791	6,245,914
Total assets	112,128,410	4,316,539	116,444,949

As at December 31, 2024

	Statutory Funds	Shareholders' Fund	Total
	(Rupees in '000)		
Insurance / takaful liabilities	106,352,404	-	106,352,404
Retirement benefit obligations	1,224	70,900	72,124
Deferred tax liability	1,212,198	5,619	1,217,817
Lease liabilities	71,661	589,242	660,903
Premium / contribution received in advance	1,347,412	-	1,347,412
Insurance / takaful / reinsurance / retakaful payables	164,253	-	164,253
Unclaimed dividends	-	104	104
Other creditors and accruals	719,847	477,356	1,197,203
Total liabilities	109,868,999	1,143,221	111,012,220

40.3 Segmental results by line of business For the year ended December 31, 2025

	2025		
	Individual life distributed through banks	Other lines of business	Total
	(Rupees in 000)		
Income			
Gross premiums / contributions			
- First year individual regular premiums / contributions	3,308,251	711,928	4,020,179
- Individual renewal premiums / contributions	8,834,378	1,350,167	10,184,545
- Individual single premiums / contributions	20,411,604	435,530	20,847,134
- Group premiums / contributions	-	1,360,821	1,360,821
Total gross premiums / contributions	32,554,233	3,858,446	36,412,679
Reinsurance / retakaful premiums / contributions			
- Individual	(130,771)	(41,240)	(172,011)
- Group	-	(811,060)	(811,060)
Total reinsurance / retakaful premiums / contributions	(130,771)	(852,300)	(983,071)
Net premium revenue / contributions	32,423,462	3,006,146	35,429,608
Rental income from investment property	-	3,100	3,100
Net investment income	18,584,286	1,601,426	20,185,712
Total net income	51,007,748	4,610,672	55,618,420
Insurance / takaful benefits and expenditures			
Insurance benefits net of reinsurance / retakaful	(30,709,106)	(1,376,877)	(32,085,983)
Management expenses less recoveries	(3,779,704)	(1,471,925)	(5,251,629)
Total insurance / takaful benefits and expenditures	(34,488,810)	(2,848,802)	(37,337,612)
Excess of income over insurance / takaful benefits and expenditures	16,518,938	1,761,870	18,280,808
Add: policyholders' liabilities at beginning of year	94,973,618	6,502,147	101,475,765
Less: policyholders' liabilities at end of year	(109,877,234)	(8,376,111)	(118,253,345)
Surplus / (deficit) for the year	1,615,322	(112,094)	1,503,228

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

	December 31, 2024		
	Individual life distributed through banks	Other lines of business	Total
	----- (Rupees in '000) -----		
Income			
Gross premiums / contributions			
- First year individual regular premium / contribution	2,098,679	707,493	2,806,172
- Individual renewal premiums / contributions	8,936,049	1,187,230	10,123,279
- Individual single premiums / contributions	16,835,667	251,020	17,086,687
- Group premiums / contributions	428	952,264	952,692
Total gross premiums / contributions	27,870,823	3,098,007	30,968,830
Reinsurance / retakaful premiums / contributions			
- Individual	(120,769)	(41,405)	(162,174)
- Group	-	(521,965)	(521,965)
Total reinsurance / retakaful premiums / contributions	(120,769)	(563,370)	(684,139)
Net premium revenue / contributions	27,750,054	2,534,637	30,284,691
Rental income from investment property	-	2,813	2,813
Net investment income	24,014,165	1,867,843	25,882,008
Total net income	51,764,219	4,405,293	56,169,512
Insurance / takaful benefits and expenditures			
Insurance / takaful benefits net of reinsurance	(23,333,831)	(1,016,176)	(24,350,007)
Management expenses less recoveries	(3,153,547)	(1,484,070)	(4,637,617)
Total insurance / takaful benefits and expenditures	(26,487,378)	(2,500,246)	(28,987,624)
Excess of income over insurance / takaful benefits and expenditures	25,276,841	1,905,047	27,181,888
Add: policyholders' liabilities at beginning of year	71,751,636	4,431,298	76,182,934
Less: policyholders' liabilities at end of year	(94,973,618)	(6,502,147)	(101,475,765)
Surplus / (deficit) for the year	2,054,859	(165,802)	1,889,057

41. MOVEMENT IN INVESTMENTS

	Held to maturity	Available for sale	Fair value through profit or loss	Investment property	Total
	----- (Rupees in '000) -----				
As at January 1, 2024	75,000	-	78,532,819	1,065,394	79,673,213
Additions	-	235,096	281,253,172	-	281,488,268
Disposals (sale and redemptions)	(75,000)	-	(260,045,983)	-	(260,120,983)
Fair value net gain (excluding net realised gains / losses)	-	(17,987)	5,794,336	89,406	5,865,755
As at December 31, 2024	-	217,109	105,534,344	1,154,800	106,906,253

	Held to maturity	Available for sale	Fair value through profit or loss	Investment property	Total
	(Rupees in '000)				
As at January 1, 2025	-	217,109	105,534,344	1,154,800	106,906,253
Additions	-	-	179,013,859	-	179,013,859
Disposals (sale and redemptions)	-	-	(166,180,836)	-	(166,180,836)
Fair value net gain (excluding net realised gains / losses)	-	188,692	4,689,562	27,500	4,905,754
As at December 31, 2025	-	405,801	123,056,929	1,182,300	124,645,030

42. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

42.1 Financial risk management objectives and policies

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

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

42.1.1 Market risk

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

42.1.2 Foreign currency risk

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

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

42.1.3 Other price risk

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

42.1.4 Equity price risk

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

Sensitivity Analysis

In case of 1% increase / (decrease) in PSX 100 index as at December 31, 2025, with all other variables held constant, the profit and loss and other comprehensive income / (loss) would have been increased / (decreased) by Rs. 231.64 million (2024: Rs. 224.12 million) and Rs. 4.06 million (2023: Rs. 2.17 million) respectively as a result of gains / (losses) on equity securities. The analysis is based on the assumption that the equity index had increased / (decreased) by 1% with all other variables held constant and represents management's best estimate of a reasonable possible shift in PSX 100 index, having regard to the historical volatility of the index.

42.1.5 Interest rate risk

Interest rate sensitivity measures the degree with which a fixed-income asset price moves with changes in interest rates. Interest rates and fixed-income asset prices are inversely correlated. More interest rate sensitivity means an asset's price fluctuates more with a change in interest rates. The interest rate risk exposure is detailed in note 42.1.11.

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

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

- An increase in 100 basis points in interest yield would result in a loss of Rs. 998.93 million (2024: 831.22 million)
- A decrease in 100 basis points in interest yield would result in a gain of Rs. 998.93 million (2024: 831.22 million)

42.1.6 Liquidity risk

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

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

42.1.7 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

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

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

		2025	2024
	Note	------(Rupees in '000)-----	
Debt securities		4,665,312	3,539,281
Open-ended mutual funds		7,951,760	7,421,764
Loan secured against life insurance policies		5,977	8,389
Insurance / takaful / reinsurance / retakaful receivables	13	316,514	78,133
Loans and other receivables		1,553,359	1,603,880
Cash at bank		6,402,608	6,233,688
		<u>20,895,530</u>	<u>18,885,135</u>

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

	2025	2024
	------(Rupees in '000)-----	
<u>Ratings of Banks*</u>		
A	1,979	4,392
A-	2,418	5,672
A+	2,869,022	2,536,866
AA	166,573	13,942
AA-	42,820	3,001
AA+	17,307	105,727
AAA	3,302,489	3,564,088
	6,402,608	6,233,688

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

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

		2025	2024
		------(Rupees in '000)-----	
Issuer of TFC's / corporate sukuks / Bai' muajjal**	Rating		
Askari Bank Limited VII - TFC	AA	40,000	99,500
Askari Bank Limited VI - TFC	AA-	60,000	100,000
Bank Al Habib Limited - TFC	AAA	958,838	959,223
Dubai Islamic Bank - Sukuk	AA-	22,176	22,044
Habib Bank Limited II - TFC	AA+	50,000	50,000
Meezan Bank Limited - Sukuk	AAA	442,491	944,600
Pakistan Energy - Sukuk II	Unrated	-	580,730
Samba Bank Limited - TFC	AA-	425,679	424,405
The Bank of Punjab I - TFC	AA+	98,152	98,211
The Bank of Punjab II - TFC	AA	259,865	260,568
Askari Bank Limited - bai' muajjal	AA+	523,834	-
Zarai Tarikiati Bank Limited - bai' muajjal	AAA	783,828	-
United Bank Limited - bai' muajjal	AAA	1,000,449	-
		4,665,312	3,539,281

**Rating of issuers of TFCs, bai' muajjal and corporate sukuks performed by PACRA and VIS Credit Rating Company.

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

Amount due from reinsurers / retakaful

The Company enters into re-insurance arrangements with re-insurers having sound credit ratings accorded by reputed credit rating agencies. The Company is required to comply with the requirements of Circular No. 32 / 2009 dated October 27, 2009 issued by SECP which requires an insurance company to place at least 80% of their outward treaty cessions with reinsurers rated 'A' or above by Standard & Poors with the balance being placed with entities rated at least 'BBB' by reputable ratings agency. All reinsurance assets relating to outward treaty cessions are with reinsurer with rating of "A" or above:

	2025	2024
	------(Rupees in '000)-----	
Rating		
A or above	215,497	31,254

The age of amount due from other reinsurers / retakaful at the reporting date is less than one year.

In respect of the insurance and reinsurance assets, the Company takes in to account its past history / track record of recoveries and financial position of the counterparties while creating provision for impairment. Further, reinsurance recoveries are made when corresponding liabilities are settled.

42.1.8 Reinsurance risk

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

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

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

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

Financing activities comprise lease liabilities; therefore, the movement of lease liabilities has been disclosed in Note 21.

42.1.10 Capital Management

The Company goals and objectives when managing capital are:

- to comply with the minimum paid-up capital requirements as prescribed by SECP;

- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefit for the other stakeholders;
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk;
- maintain strong ratings and to protect the Company against unexpected events / losses; and
- to ensure a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business.

As prescribed by SECP, the Company is required to maintain the minimum capital and to comply with the solvency requirements both for shareholders' and statutory funds in accordance with the Insurance Ordinance, 2000 and Insurance Rules, 2017 (previously the SEC (Insurance) Rules, 2002 as amended by S.R.O. 16 (1)/2012 dated January 9, 2012), with which the Company is in compliance (Refer Note 45).

42.1.11 Interest rate risk exposure

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

The information about Company's exposure to interest rate risk based on contractual repricing or maturity dates as of December 31, 2025, whichever is earlier, is as follows:

On balance sheet financial instruments	2025						Total
	Interest / markup bearing			Non interest / non markup bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
	(Rupees in '000)						
Assets							
Investments	59,750,691	37,669,710	97,420,401	26,042,329	-	26,042,329	123,462,730
Loan secured against life insurance / takaful policies (Insurance / takaful) / (reinsurance / retakaful) receivables	5,977	-	5,977	-	-	-	5,977
Loans and other receivables	-	-	-	316,514	-	316,514	316,514
Cash at bank	6,109,141	-	6,109,141	1,553,359	-	1,553,359	1,553,359
	293,819	-	293,819	6,402,960	-	6,402,960	6,402,960
	65,865,809	37,669,710	103,535,519	28,206,021	-	28,206,021	131,741,540
Liabilities							
Insurance / takaful liabilities (reported outstanding claims)	-	-	-	6,036,101	-	6,036,101	6,036,101
Lease liabilities	112,855	456,260	569,115	-	-	-	569,115
Reinsurance / retakaful payables	-	-	-	270,509	-	270,509	270,509
Other creditors and accruals	-	-	-	1,069,566	-	1,069,566	1,069,566
	112,855	456,260	569,115	7,376,176	-	7,376,176	7,945,291
	65,752,954	37,213,450	102,966,404	20,829,845	-	20,829,845	123,796,249

On balance sheet financial instruments	2024						Total
	Interest / markup bearing			Non interest / non markup bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
	(Rupees in '000)						
Assets							
Investments	39,766,225	43,355,512	83,121,737	22,629,716	-	22,629,716	105,751,453
Loan secured against life insurance / takaful policies	8,389	-	8,389	-	-	-	8,389
(Insurance / takaful) / (reinsurance / retakaful) receivables	-	-	-	78,133	-	78,133	78,133
Term deposit	-	-	-	1,603,880	-	1,603,880	1,603,880
Cash at bank	5,869,647	-	5,869,647	364,373	-	364,373	6,234,020
	45,644,261	43,355,512	88,999,773	24,676,102	-	24,676,102	113,675,875
Liabilities							
Insurance / takaful liabilities (reported outstanding claims)	-	-	-	4,876,639	-	4,876,639	4,876,639
Lease liabilities	104,752	556,151	660,903	-	-	-	660,903
Reinsurance / retakaful payables	-	-	-	164,253	-	164,253	164,253
Other creditors and accruals	-	-	-	1,091,911	-	1,091,911	1,091,911
	104,752	556,151	660,903	6,132,803	-	6,132,803	6,793,706
	45,539,509	42,799,361	88,338,870	18,543,299	-	18,543,299	106,882,169

43. INSURANCE RISK AND MANAGEMENT OF INSURANCE RISK

43.1 Conventional business

43.1.1 Individual Life

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

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical underwriting policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure on any one insured person. The Company is developing and intends to eventually have a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency the Company applies quality controls on the standard of service provided to policyholders and has placed checks to control mis-selling and to track improvements in the standard of service provided to policyholders. For this, a regular monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality

limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company maintains adequate liquidity in its fund to cater for a potentially sudden and high cash requirement.

Frequency and severity of claims

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

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

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

Benefits assured per life Rupees	Sum assured at the end of December 2025			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	2,243	3.67%	2,114	5.40%
200,001 - 400,000	3,204	5.24%	3,204	8.19%
400,001 - 800,000	10,182	16.64%	8,234	21.04%
800,001 - 1,000,000	21,431	35.02%	16,754	42.82%
More than 1,000,000	24,129	39.43%	8,824	22.55%
Total	61,189	100.00%	39,130	100.00%

Benefits assured per life Rupees	Sum assured at the end of December 2024			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-200,000	2,874	2.08%	2,745	3.45%
200,001 - 400,000	3,232	2.34%	3,232	4.07%
400,001 - 800,000	23,975	17.39%	19,628	24.70%
800,001 - 1,000,000	43,310	31.41%	30,318	38.16%
More than 1,000,000	64,488	46.77%	23,529	29.61%
Total	137,879	100.00%	79,452	100.00%

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

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

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

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

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

c) Process used to decide on assumptions

For long-term conventional assurance contracts, long-term assumptions are made at the inception of the contract. Keeping the statutory minimum reserving basis in view, the Company determines assumptions on future mortality, morbidity, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

- **Mortality:** The Company assumes the expected mortality to be 80% of SLIC (2001-05).
- **Persistency:** The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.
- **Expense levels and inflation:** A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- **Investment returns:** The investment returns are based on the historic performance of the assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

e) Sensitivity analysis

After reinsurance, the overall liability for individual life conventional business stands at less than 1% of the total policyholder liability held in respect of individual life business. Due to its immateriality, sensitivity analysis has not been conducted.

43.1.2 Group Life

The main risk written by the Company is mortality. The Company may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality (such as mining or other hazardous industries), writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The Company also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of premium in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

"The Company manages these risks through underwriting, reinsurance, effective claims handling and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done in line with the actual experience of the Company. The premium charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The management undertakes to write business in line with the limits set by the appointed actuary, especially for large groups having a group assurance policy with annual premium of Rs 2 million or above in accordance with the requirements of Circular 11 of 2013 dated June 14, 2013. The Company also maintains a Management Information System (MIS) to track the adequacy of the premium charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure to any one life.

The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. Strict monitoring is in place at the Board of Directors level in order to keep the outstanding balances of premium at a minimum, especially the ones that are due for more than 90 days. The bulk of the assets held against liabilities of this line of business are cash to money market with short durations and high liquidity, thus mitigating the risk of asset value deterioration and liability mismatch.

a) Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

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

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

Benefits assured per life	Sum assured at the end of December 2025			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 500,000	65,905,067	6.15%	63,654,209	20.44%
500,001 - 1,000,000	79,795,575	7.44%	65,265,665	20.95%
1,000,001 - 1,500,000	41,851,409	3.90%	24,782,715	7.96%
1,500,001 - 2,000,000	165,943,887	15.48%	66,105,158	21.22%
More than 2,000,000	718,649,833	67.03%	91,670,208	29.43%
Total	1,072,145,771	100.00%	311,477,955	100.00%

Benefits assured per life	Sum assured at the end of December 2024			
	Total benefits assured			
	Before reinsurance		After reinsurance	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 500,000	50,503,576	5.11%	50,270,506	13.96%
500,001 - 1,000,000	261,981,734	26.50%	165,993,290	46.11%
1,000,001 - 1,500,000	68,513,740	6.93%	38,965,854	10.82%
1,500,001 - 2,000,000	97,503,390	9.86%	37,535,071	10.43%
More than 2,000,000	510,248,998	51.61%	67,259,535	18.68%
Total	988,751,438	100.00%	360,024,256	100.00%

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

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

c) Process used to decide on assumptions

Industry experience, the insured group's own past experience and reinsurer risk rates are used to determine the expected level of risk in relation to the SLIC (2001-05) Individual Life Ultimate Mortality Table.

d) Changes in assumptions

There are no changes in assumptions.

e) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in variable	Increase in liability 2025
		(Rupees in '000)
Worsening of mortality rates for risk policies	+10% pa	4,680
Increase in reporting lag	+10% pa	4,680

43.2 Non unitised Investment Linked Business

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

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

payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company reserves the right to review the charges deductible under the contracts, thus limiting the risk of under pricing.

a) Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Company charges for mortality risk on a monthly basis for all insurance contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may hinder its mitigating effect. The Company manages these risks through its underwriting strategy and reinsurance arrangements.

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

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

Benefits assured per life Rupees	Sum assured at the end of December 2025			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	712	1.21%	624	3.39%
200,001 - 400,000	3,786	6.42%	1,899	10.32%
400,001 - 800,000	8,656	14.68%	3,191	17.33%
800,001 - 1,000,000	4,808	8.16%	1,442	7.83%
More than 1,000,000	40,989	69.53%	11,253	61.13%
Total	58,951	100.00%	18,409	100.00%

Benefits assured per life Rupees	Sum assured at the end of December 2024			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	1,523	0.89%	1,107	2.04%
200,001 - 400,000	13,224	7.70%	5,531	10.20%
400,001 - 800,000	54,319	31.65%	17,985	33.15%
800,001 - 1,000,000	36,551	21.29%	11,665	21.50%
More than 1,000,000	66,029	38.47%	17,961	33.11%
Total	171,646	100.00%	54,249	100.00%

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

Uncertainty in the estimation of future benefit payments and premium receipts for long-term non-unitised investment linked assurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and morbidity of the insured population and variability in policyholders' behaviour.

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

- **Mortality:** The expected mortality is assumed to be 80% of SLIC (2001-05)
- **Persistency:** The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

c) Process used to decide on assumptions

For long-term non-unitised investment linked assurance contracts, assumptions are made in two stages. At inception of the contract, the Company determines assumptions on future mortality, morbidity, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

- **Mortality:** The Company assumes the expected mortality to be 80% of SLIC (2001-05).
- **Persistency:** The Company exercises a periodic analysis on recent and historic experience and persistency is calculated by applying statistical methods. Persistency rates vary by products and more importantly the sales distribution channel. An allowance is then made for any trend in the data to arrive at best estimate of future persistency rates for each sales distribution channel.

- **Expense levels and inflation:** A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.
- **Investment returns:** The investment returns are based on the historic performance of the assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

e) Sensitivity analysis

After reinsurance, the overall liability for non unitised investment linked business stands at less than 1% of the total policyholder liability. Due to its immateriality, sensitivity analysis has not been conducted.

43.3 Unit Linked Business

The risk underwritten is mainly death and sometimes disability and/or critical illness. The risk of death and disability will vary from region to region. The Company may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The Company may also face the risk of poor investment return, inflation of business expenses and liquidity issues on monies invested in the fund. The Company faces the risk of under-pricing particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency may result in the Company being unable to recover expenses incurred at policy acquisition.

The Company manages these risks through its underwriting, reinsurance, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids selling policies to high risk individuals. This puts a check on anti-selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of premiums charged. Reinsurance contracts have been purchased by the Company to limit the maximum exposure on any one policyholder. The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency the Company applies quality controls on the standard of service provided to policyholders and has placed checks to curb mis-selling and improvement in standard of service provided to the policyholders. For this, a regular branch wise monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Company maintains adequate liquidity in each unit fund to cater for potentially

sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company reserves the right to review the charges deductible under the contracts, thus limiting the risk of under pricing.

Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Company charges for mortality risk on a monthly basis for all insurance contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may hinder its mitigating effect. The Company manages these risks through its underwriting strategy and reinsurance arrangements.

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

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

Benefits assured per life Rupees	Sum assured at the end of December 2025			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-200,000	4,476,639	5.64%	4,214,413	8.47%
200,001 - 400,000	11,333,907	14.27%	10,743,816	21.59%
400,001 - 800,000	18,301,100	23.05%	16,094,157	32.34%
800,001 - 1,000,000	10,186,633	12.83%	6,889,206	13.84%
More than 1,000,000	35,112,899	44.22%	11,818,963	23.75%
Total	79,411,178	100.00%	49,760,555	100.00%

Benefits assured per life Rupees	Sum assured at the end of December 2024			
	Total benefits assured			
	Before reinsurance		After reinsurance	
	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-200,000	4,607,312	5.57%	4,170,473	7.93%
200,001 - 400,000	11,463,473	13.85%	10,499,578	19.95%
400,001 - 800,000	19,824,107	23.95%	17,112,174	32.52%
800,001 - 1,000,000	11,862,102	14.33%	8,028,319	15.26%
More than 1,000,000	35,002,154	42.29%	12,810,439	24.34%
Total	82,759,148	100.00%	52,620,983	100.00%

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

Uncertainty in the estimation of future benefit payments and premium receipts for long-term unit linked insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in policyholder's behaviour.

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

Mortality: The expected mortality is assumed to be 80% of SLIC (2001-05)

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

c) Process used to decide on assumptions

For long-term unit linked insurance contracts, assumptions are made in two stages. At inception of the contract, the Company determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

Mortality: The Company assumes the expected mortality to be 80% of SLIC (2001-05)

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

Expense levels and inflation: As the business is new, estimates from business projections have been used. Once established, a periodic study will be conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.

Investment returns: The investment returns are based on the historic performance of the assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

43.4 Individual Family Takaful Unit Linked Business

The risk covered is mainly death and sometimes disability and / or critical illness. The risk of death and disability will vary from region to region. The PTF may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The PTF may also face the risk of poor investment return, and liquidity issues on monies invested in the fund. The PTF faces the risk of inadequacy of the Mortality Charge (Takaful Contribution) particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency can lead to an impact on the size of the PTF. A larger PTF may allow for a greater degree of cross subsidization of Mortality Risk, increasing the probability of convergence between actual and expected Mortality experience.

The Company manages these risks through its underwriting, retakaful, claims handling policy and other related controls. The Company has a well defined medical under-writing policy and avoids issuing cover to high risk individuals. This puts a check on anti-selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of contribution charged for risk underwritten by the PTF. Retakaful contracts have been purchased by the Company to limit the maximum exposure on any one participant. The Company has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency, the Company applies quality controls on the standard of service provided to Participants of the PTF and has placed checks to curb mis-selling and improvement in the standard of customer service. For this, a regular branch wise monitoring of lapsation rates is conducted. On the claims handling side, the Company has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, a Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Company maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Company. The Company reserves the right to review the Takaful Contributions deductible under the contracts, thus limiting the risk of under pricing.

Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Company charges for mortality risk on a monthly basis for all Takaful contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may hinder its mitigating effect. The Company manages these risks through its underwriting strategy and retakaful arrangements.

The table below presents the concentration of covered benefits across five bands of covered benefits per participant. The benefit covered figures are shown gross and net of the retakaful contracts described above.

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

Benefits covered per life	Sum assured at the end of December 2025			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	1,408,000	3.23%	1,403,318	5.61%
200,001 - 400,000	3,670,376	8.41%	3,661,202	14.65%
400,001 - 800,000	7,631,173	17.49%	7,170,277	28.69%
800,001 - 1,000,000	4,776,007	10.95%	3,455,957	13.83%
More than 1,000,000	26,146,370	59.92%	9,303,350	37.22%
Total	43,631,926	100.00%	24,994,104	100.00%

Benefits covered per life	Sum assured at the end of December 2024			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 200,000	1,437,350	3.50%	1,431,011	5.88%
200,001 - 400,000	3,636,377	8.85%	3,624,825	14.91%
400,001 - 800,000	7,252,454	17.65%	6,764,273	27.81%
800,001 - 1,000,000	4,284,593	10.43%	3,188,438	13.11%
More than 1,000,000	24,487,486	59.58%	9,310,683	38.29%
Total	41,098,260	100.00%	24,319,230	100.00%

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

Uncertainty in the estimation of future benefit payments and contribution receipts for long-term unit linked takaful policies arises from the unpredictability of long-term changes in overall levels of mortality and variability in participant's behaviour.

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

Mortality: The expected mortality is assumed to be 80% of SLIC (2001-05).

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

c) Process used to decide on assumptions

For long-term unit linked takaful contracts, assumptions are made in two stages. At inception of the contract, the Company determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

Mortality: The Company assumes the expected mortality to be 80% of SLIC (2001-05)

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

Expense levels and inflation: A periodic study is conducted on the Company's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.

Investment returns: The investment returns are based on the historic performance of the assets and asset types underlying the fund.

e) Changes in assumptions

There are no changes in assumptions.

43.5 Group Life Family Takaful

The main exposure of the PTF is to mortality risk. The PTF may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality, writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The PTF also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of takaful contributions in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The Company manages these risks through underwriting, retakaful, effective claims handling and other related controls. The Company has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done using the retakaful rates. The contribution charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Company also maintains an MIS to track the adequacy of the takaful contribution charged. Retakaful contracts have been purchased by the Company to limit the maximum mortality exposure of any one covered person. The Company ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Company ensures that payment of any fraudulent claims is avoided. Strict monitoring is in place in order to keep the outstanding balances of contribution at a minimum, especially the ones that are due for more than 90 days. The bulk of the assets held against liabilities of this line of business are cash to money market with short durations and high liquidity, thus mitigating the risk of asset value deterioration and liability mismatch.

Frequency and severity of claims

The Company measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

The table below presents the concentration of covered benefits across five bands of covered benefits per participant. The benefit covered figures are shown gross and net of the retakaful contracts described above.

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

Benefits covered per Participant	Sum assured at the end of December 2025			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 500,000	34,695,641	8.54%	34,259,524	21.45%
500,001-1,000,000	51,212,092	12.61%	39,379,389	24.66%
1,000,001-1,500,000	27,184,556	6.69%	16,538,119	10.36%
1,500,001-2,000,000	19,512,781	4.80%	9,446,871	5.92%
More than 2,000,000	273,576,747	67.35%	60,073,222	37.62%
Total	406,181,817	100.00%	159,697,125	100.00%

Benefits covered per Participant	Sum assured at the end of December 2024			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0 - 500,000	20,535,779	17.50%	19,764,720	34.24%
500,001 - 1,000,000	29,973,832	25.54%	21,397,329	37.07%
1,000,001 - 1,500,000	9,336,854	7.96%	4,568,500	7.91%
1,500,001 - 2,000,000	6,135,219	5.23%	2,072,500	3.59%
More than 2,000,000	51,374,866	43.78%	9,925,500	17.19%
Total	117,356,550	100.00%	57,728,549	100.00%

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

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

b) Process used to decide on assumptions

The business is too new for any meaningful investigation into the group's past experience. However, industry experience, the insured group's own past experience and retakaful risk rates are used to determine the expected level of risk in relation to the SLIC (2001-05) Individual Life Ultimate Mortality Table.

c) Changes in assumptions

There are no changes in assumptions.

d) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in variable	Increase in liability 2025 (Rupees in '000)
Worsening of mortality rates for risk policies	+10% pa	1,426
Increase in reporting lag	+10% pa	1,426

43.6 Liability Adequacy Test

Liability adequacy test is applied to all long term contracts. Liability adequacy test is carried out using current best estimates of assumptions and future net cash flows, including premiums receivable, benefits payable and investment income from related assets.

To determine the adequacy of liabilities, assumptions must be based on realistic best estimates. We have compared our valuation mortality assumption (SLIC mortality table) with the mortality of developing Asian countries, namely: India and Malaysia. The comparison suggests that the best estimate assumption is better than the experience reflected in SLIC mortality table.

The investment return assumed for valuation is 3.75% per annum. This rate is prescribed by law. We have valued our liabilities based on the 10-Year PIB rate of 11.6650% to determine adequacy.

The table below compares total policyholder liabilities in Unit Linked Business, Non unitised Investment Linked Business, Individual Life Conventional business and Individual Family Takaful Unit Linked Business under existing valuation basis with policyholder liabilities calculated using best estimate assumptions:

Assumptions	Policyholder liabilities on existing valuation basis	Policyholder liabilities using best estimate assumptions
	(Rupees in '000)	
Mortality	117,600,253	117,545,573
Investment Returns	117,600,253	117,593,204

The liabilities evaluated under the assumptions suggest the recognised liabilities are adequate and no further provision is required.

44. FAIR VALUE MEASUREMENT

The table below analyses assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

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

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	As at December 31, 2025								
	Carrying value				Fair value				
	Available for sale	Fair value through profit or loss	Loans and receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
- Investments									
Government securities	-	92,755,089	-	-	92,755,089	-	92,755,089	-	92,755,089
Equity securities	405,801	17,684,768	-	-	18,090,569	18,090,569	-	-	18,090,569
Open-ended mutual funds	-	7,951,760	-	-	7,951,760	7,951,760	-	-	7,951,760
Debt securities (listed TFCs / corporate sukuk / bai' muajjal)	-	4,665,312	-	-	4,665,312	-	4,665,312	-	4,665,312
Non-financial assets measured at fair value									
- Investment property									
	-	1,182,300	-	-	1,182,300	-	1,182,300	-	1,182,300
Financial assets not measured at fair value									
Loan secured against life insurance policies	-	-	5,977	-	5,977	-	-	-	5,977
Insurance / takaful / reinsurance / retakaful receivables	-	-	316,514	-	316,514	-	-	-	316,514
Loans and other receivables	-	-	1,553,359	-	1,553,359	-	-	-	1,553,359
Cash at bank	-	-	6,402,960	-	6,402,960	-	-	-	6,402,960
	405,801	124,239,229	8,278,810	-	132,923,840				
Financial liabilities not measured at fair value									
- Insurance / takaful liabilities (reported outstanding claims)	-	-	-	6,036,101	6,036,101	-	6,036,101	-	6,036,101
- Insurance / takaful / reinsurance / retakaful payables	-	-	-	270,509	270,509	-	-	-	270,509
- Unclaimed dividends	-	-	-	83	83	-	-	-	83
- Other creditors and accruals	-	-	-	1,069,566	1,069,566	-	-	-	1,069,566
	-	-	-	7,376,259	7,376,259				

As at December 31, 2024								
Carrying value					Fair value			
Available for sale	Fair value through profit or loss	Loans and receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
Financial assets measured at fair value								
- Investments								
Government securities (T-bills + PIBs + Sukuks)	-	79,582,456	-	79,582,456	-	79,582,456	-	79,582,456
Equity securities	217,109	14,990,843	-	15,207,952	15,207,952	-	-	15,207,952
Open-ended mutual funds	-	7,421,764	-	7,421,764	7,421,764	-	-	7,421,764
Debt securities (listed TFCs / corporate sukus)	-	3,539,281	-	3,539,281	-	3,539,281	-	3,539,281
Non-financial assets measured at fair value								
- Investment property	-	1,154,800	-	1,154,800	-	1,154,800	-	1,154,800
Financial assets not measured at fair value								
Loan secured against life insurance policies	-	-	8,389	8,389	-	-	-	8,389
Insurance / takaful / reinsurance / retakaful receivables	-	-	78,133	78,133	-	-	-	78,133
Loans and other receivables	-	-	1,603,880	1,603,880	-	-	-	1,603,880
Cash at bank	-	-	6,234,020	6,234,020	-	-	-	6,234,020
	<u>217,109</u>	<u>106,689,144</u>	<u>7,924,422</u>	<u>-</u>				<u>114,830,675</u>
Financial liabilities not measured at fair value								
- Insurance / takaful liabilities (reported outstanding claims)	-	-	-	4,876,639	4,876,639	-	4,876,639	-
- Insurance / takaful / reinsurance / retakaful payables	-	-	-	164,253	164,253	-	-	-
- Unclaimed dividends	-	-	-	104	104	-	-	-
- Other creditors and accruals	-	-	-	1,162,003	1,162,003	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,202,999</u>	<u>6,202,999</u>			

44.1 The Company has not disclosed fair values of few of the above mentioned financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

45. Statement of Solvency

Particulars	2025						
	Shareholders' Fund	Conventional Fund	Accident and Health Business	Non-unitised Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business
----- (Rupees in 000) -----							
Assets							
Property and equipment	403,889	-	-	-	-	-	-
Right of use assets	428,160	-	-	-	-	74,665	-
Intangible assets	20,831	-	-	-	-	-	-
Investment property	-	-	-	-	1,182,300	-	-
Investments							
Listed equity securities and units of mutual funds	1,645,812	327,804	-	(1)	18,535,930	5,383,111	149,673
Government securities	2,798,764	642,580	5,338	724,396	80,095,702	9,670,085	301,536
Debt securities	-	-	-	-	2,271,108	2,394,203	-
Open-ended mutual funds	-	-	-	-	-	-	-
Loans secured against life insurance/takaful policies (Insurance / takaful) / (reinsurance / retakaful) receivables	-	-	-	5,252	725	-	-
Other loans and receivables	59,794	2,462	-	1,831	-	742	33,496
Deferred taxation	-	-	-	-	-	-	-
Taxation - payments less provision	-	834	-	34,288	940,946	190,836	-
Prepayments	91,053	-	-	-	-	-	-
Cash at Bank	85,924	386,300	3,514	23,949	2,991,660	2,830,834	90,290
Total Assets (A)	5,534,227	1,427,501	8,852	789,715	106,026,806	20,741,803	574,995

Inadmissible assets as per following clauses of section 32 (2) of Insurance Ordinance, 2000

	2025						
	Shareholders' Fund	Conventional Fund	Accident and Health Business	Non-united Investment Link Business	Unit Linked Business	Individual Family Takaful Unit Linked Business	Group Family Takaful Business
	(Rupees in 000)						
- Inter-fund	-	-	-	-	-	-	-
- Assets in excess of prescribed limit	(683,061)	-	(3)	-	-	-	-
- Loan to employees	(18,165)	-	-	-	-	(3,248)	-
- Taxation - payments less provision	-	-	-	(12,543)	-	-	-
- Premiums more than 90 days	-	(2,878)	-	-	-	-	(69)
- Intangible assets	(13,344)	-	-	-	-	-	-
- Excess of lease assets from corresponding liability (SRO1012(I)/ 2022	-	-	-	-	-	(9,853)	-
- Tangible fixed assets	(411,376)	-	-	-	-	-	-
Total of inadmissible assets (B)	(1,125,946)	(2,878)	(3)	(12,543)	-	(13,101)	(69)
Total admissible assets (C = A-B)	4,408,281	1,424,623	8,849	777,172	106,026,806	20,728,702	574,926
Total liabilities							
Insurance / takaful liabilities net of reinsurance / retakaful recoveries	-	72,966	-	348,687	5,126,668	271,222	10,854
Retirement benefit obligations	52,469	-	-	-	-	5,827	-
Deferred taxation	55,552	-	-	-	-	-	-
Liability against lease	504,303	-	-	-	-	64,812	-
Premium received in advance	-	53,129	25	5,505	411,487	138,297	1,446
(Insurance / takaful) / (reinsurance / retakaful) payables	-	194,500	-	-	4,943	19,896	43,950
Other creditors and accruals	461,258	10,157	2,893	616	454,103	165,591	184,401
Taxation - provision less payments	539,907	-	-	-	-	-	-
Total liabilities (D)	1,613,489	330,752	2,918	354,808	5,997,201	665,645	240,651
Total net admissible assets (E = C-D)	2,794,792	1,093,871	5,931	422,364	100,029,605	20,063,057	334,275
Minimum solvency requirement							
Shareholders' fund	(165,000)	-	-	-	-	-	-
Policyholders liability	-	(285,971)	(12)	(299,983)	(98,195,204)	(19,262,738)	(209,437)
Solvency Margin	-	(147,733)	(345)	(7,502)	(1,017,197)	(208,127)	(53,314)
Excess net admissible assets over minimum requirements	2,629,792	660,167	5,574	114,879	817,204	592,192	71,524

	2025	2024
46. NUMBER OF EMPLOYEES INFORMATION		
Number of employees as at year end	1,991	1,797
Average number of employees during the year	1,894	1,799

47. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. There were no material reclassifications during the year other than the following:

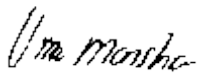
Reclassification from:	Reclassification to:	Rupees in '000
(Insurance / takaful) / (reinsurance / retakaful) receivables	Reinsurance / retakaful payables	16,696

48. SUBSEQUENT EVENT - NON ADJUSTING

The Board of directors in its meeting held on February 17, 2026 proposed a cash dividend of Rs.1.50 per share (December 31, 2024: Rs. 1 per share) amounting to Rs.393.75 million (December 31, 2024: Rs. 250 million). These financial statements do not recognise the impact of proposed cash dividend which will be recognised in the subsequent financial statements.

49. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on February 17, 2026.



Umer Mansha
Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Statement of Appointed Actuary

As per Section 52(2) (a) & (b) of Insurance Ordinance 2000

For the year ended December 31, 2025

In my opinion,

- (a) the policyholder liabilities included in the balance sheet of Adamjee Life Assurance Company Limited as at 31st December 2025 have been determined in accordance with the provisions of the Insurance Ordinance 2000;
- (b) each statutory fund of Adamjee Life Assurance Company Limited complies with the solvency requirements of the Insurance Ordinance 2000 as applicable on 31st December 2025.

Signed:

Name:



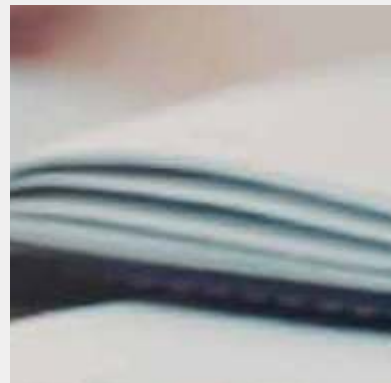
Arif Rasool

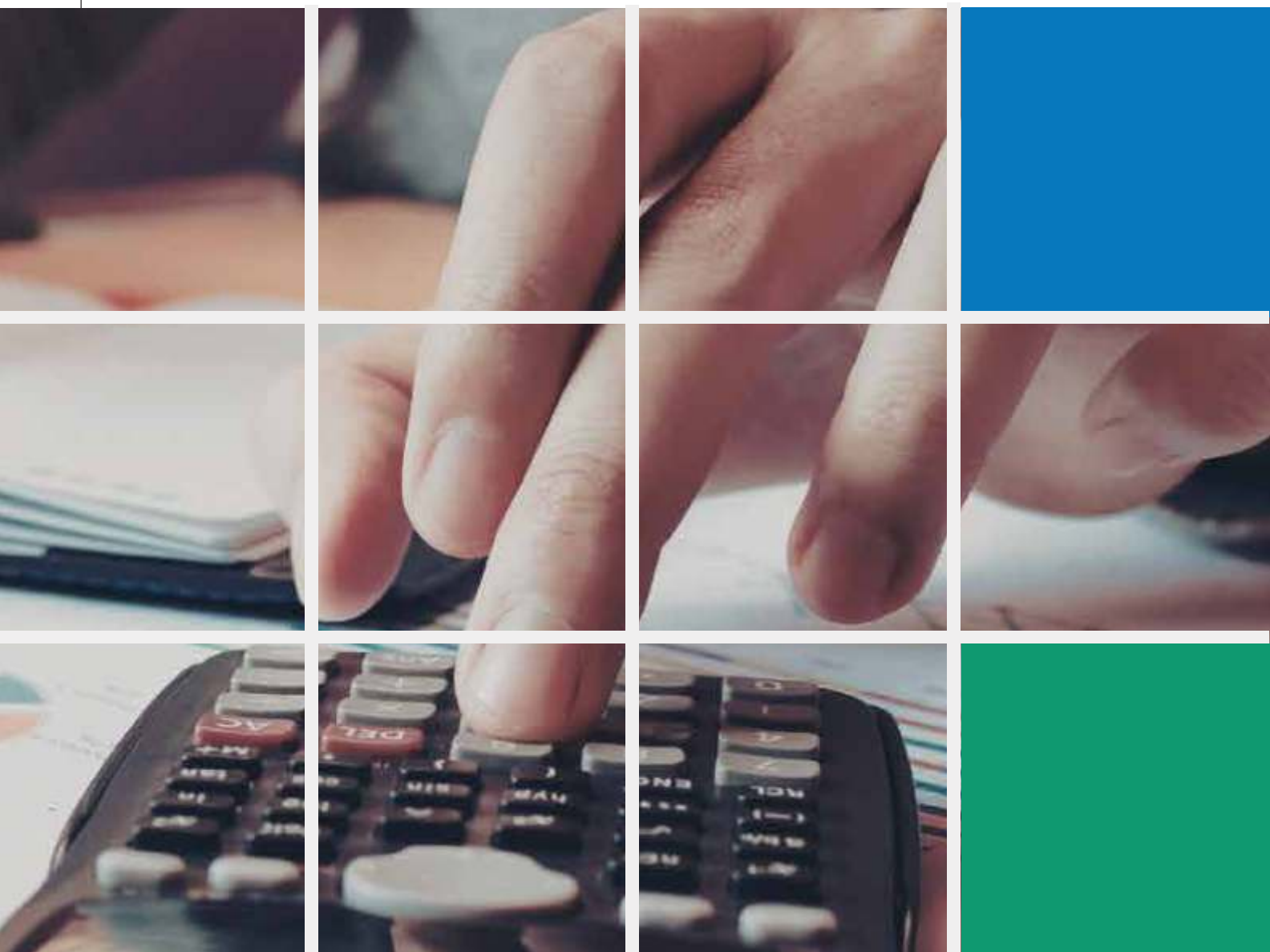
Fellow Pakistan Society of Actuaries

Fellow Institute of Actuaries, UK

Dated: 10th February 2026

Financial Statements Window Takaful





Sharia Advisor Profile

Dr. Mufti Muhammad Zubair Usmani

Shariah Advisor

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

Management's Statement of Compliance with Shariah Principles



MANAGEMENT'S STATEMENT OF COMPLIANCE WITH SHARIAH PRINCIPLES

YEAR ENDED DECEMBER 31, 2025

The financial arrangements, contracts and transactions, entered into by Adamjee Life Assurance Company Limited- Window Takaful Operations (the Company) for the period from January 1, 2025 to December 31, 2025 are in compliance with the Takaful Rules, 2012.

Further, we confirm that:

- The Company has developed and implemented all the policies and procedures in accordance with the Takaful Rules, 2012 and rulings of the Shari'ah Advisor along with a comprehensive mechanism to ensure compliance with such rulings and Takaful Rules, 2012 in their overall operations with zero tolerance. Further, the governance arrangements including the reporting of events and status to those charged with relevant responsibilities, such as the Audit committee/ Shari'ah Advisor and the Board of Directors have been implemented;
- The Company has imparted trainings/ orientations and ensured availability of all manuals/ agreements approved by Shariah Advisor/ Board of Directors to maintain the adequate level of awareness, capacity and sensitization of the staff, management;
- All the products and policies have been approved by Shariah Advisor and the financial arrangements including investments made, policies, contracts and transaction, entered into by Window Takaful Operations are in accordance with the policies approved by Shariah Advisor.
- The assets and liabilities of Window Takaful Operations (Participant Takaful Fund and Operator's Sub Fund) are segregated from its other assets and liabilities, at all times in accordance with the provisions of the Takaful Rules, 2012.

This has been duly confirmed by the Shari'ah Advisor of the Company.

A handwritten signature in blue ink that reads "Manzar Mushtaq".

Manzar Mushtaq

Chief Executive Officer

Independent Reasonable Assurance Report

To the Board of Directors on the Management's Statement of Compliance with the Shariah Principles

We were engaged by the Board of Directors of ADAMJEE LIFE ASSURANCE COMPANY LIMITED (“the Company”) to report on the management’s assessment of compliance of the Window Takaful Operations (“Takaful Operations”) of the Company, as set out in the annexed statement (“the Statement of Compliance”) prepared by the management for the year ended December 31, 2025, with the Takaful Rules, 2012, in the form of an independent reasonable assurance conclusion about whether the Statement of Compliance presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.

Applicable Criteria

The criteria against which the subject matter information (“the Statement of Compliance”) is assessed comprise of the provisions of the Takaful Rules, 2012, issued by the Securities and Exchange Commission of Pakistan (“SECP”).

Responsibilities of the Management

The management of the Company is responsible for the preparation of the Statement of Compliance that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the Statement of Compliance 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.

The management 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.

The management 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 Statement of Compliance prepared by the Company 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 Statement of Compliance 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 Quality Control for Firms that perform Audits and Reviews of Financial Statements or Other Assurance and Related Services Engagements which require the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ("the Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Takaful Rules, 2012, whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the preparation of the Statement of Compliance 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 Takaful Operations' compliance with the Takaful Rules, 2012. Reasonable assurance is less than absolute assurance.

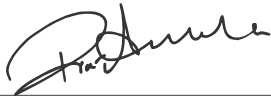
The procedures performed included:

- Evaluating the systems, procedures, and practices in place with respect to the Takaful operations against the Takaful Rules, 2012 and Shariah advisor's guidelines;
- Evaluating 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;
- Testing transactions relating to Takaful operations, on a sample basis, to ensure that these are carried out in accordance with the procedures and practices including the regulations relating to Takaful operations as laid down in Takaful Rules, 2012; and
- Review the Statement of Compliance of the Takaful transactions during the year ended December 31, 2025 with the Takaful Rules, 2012.

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 Statement of Compliance, for the year ended December 31, 2025, presents fairly the status of compliance of the Takaful Operations with the Takaful Rules, 2012, in all material respects.



RIAZ AHMAD & COMPANY
Chartered Accountants

Karachi

Date: 31 MARCH 2026

Shariah Advisor's Report to the Board of Directors



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Shariah Advisor's Report to the Board of Directors for the year ended 31st December, 2025

I have examined the financial statements and transactions of Window Takaful Operation of the Adamjee Life Assurance Company Limited (hereafter referred to as "the Company") for the year ended 31st December 2025.

I acknowledge that being Shariah Advisor of the Company for its Window Takaful Operations, it is my responsibility to ensure that the financial arrangements, contracts and transactions entered into by the Company with its participants and stakeholders are in compliance with the requirements of Shariah rules & principles. It is the responsibility of company's management to ensure that the rules, principles and guidelines set by the Shariah Advisor are complied with, and that all policies and services being offered are duly approved by the Shariah Advisor.

Shariah Compliance Officer conducted the Shariah Compliance Review (SCR) for the year 2025 with the consultation of the Shariah Advisor. The primary scope of Shariah Compliance review (SCR) was to ensure that the company has complied with all Shariah principles, rules and guidelines. Shariah Compliance review also included the examination of the appropriate evidence of transactions undertaken by the company during the year 2025.

However, I have reviewed the affairs of the Company with the coordination of Shariah compliance officer in accordance with Shariah principles and Takaful Rules 2012. In my opinion, and to the best of my understanding, based on the provided information and explanations, below are my findings:

- (i) Financial transactions undertaken by the Company for the Year ended 31st December 2025 pertaining to Window Takaful Operations were in accordance with guidelines issued by Shariah Advisor as well as the requirements of Takaful Rules 2012.

A handwritten signature in black ink, consisting of a stylized 'A' followed by a flourish.



- (ii) Consequently, I have found that the Company is in accordance with the Shariah Principles in all aspects and the Company performed its duties to its level best by following Shariah Guidelines. Moreover, in my opinion the accounting principles adopted for incorporation of Participants Takaful Fund (PTF) into the accompanying financial statements, are in accordance with the Shariah Principles, rules and guidelines.

“And Allah knows best”

A handwritten signature in black ink, appearing to be "Zubair Usmani", written over a horizontal line.

Dr. Muhammad Zubair Usmani
Shariah Adviser

Adamjee Life Assurance Company Limited-Window Takaful Operations

Window Takaful Operations (Un-audited)

Statement of Financial Position

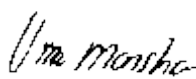
As at December 31, 2025

	Note	2025			2024		
		Operator's Sub Fund	Statutory Fund	Total	Operator's Sub Fund	Statutory Fund	Total
(Rupees in '000)							
Assets							
Right of use assets	6	74,665	-	74,665	87,800	-	87,800
Investments							
Equity securities	7	253,200	2,069,846	2,323,046	78,195	1,435,276	1,513,471
Government securities	8	624,282	9,153,695	9,777,977	432,710	8,169,290	8,602,000
Debt securities	9	-	2,394,203	2,394,203	-	262,332	262,332
Open-ended mutual funds	10	114,437	3,095,302	3,209,739	200,753	3,384,700	3,585,453
Takaful / retakaful receivables		-	64,067	64,067	-	24,557	24,557
Accrued income on investments and others	11	17,925	188,134	206,059	47,214	170,364	217,578
Interfund receivable		-	19,211	19,211	-	28,807	28,807
Taxation - payments less provision		11,842	178,967	190,809	10,983	179,020	190,003
Cash and bank	12	182,598	2,738,526	2,921,124	266,243	2,347,778	2,614,021
Total assets		1,278,949	19,901,951	21,180,900	1,123,898	16,002,124	17,126,022
Equity and Liabilities							
Capital contributed from shareholders fund		35,630	-	35,630	35,630	-	35,630
Money ceded to waqf fund		-	500	500	-	500	500
Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)		549,200	-	549,200	439,941	-	439,941
Total equity		584,830	500	585,330	475,571	500	476,071
Liabilities							
Takaful liabilities	13	93,905	19,713,926	19,807,831	87,213	15,822,736	15,909,949
Retirement benefit obligation		5,827	-	5,827	1,224	-	1,224
Lease liabilities	6	64,812	-	64,812	71,661	-	71,661
Deferred taxation		352,445	-	352,445	282,367	-	282,367
Contribution received in advance		-	139,743	139,743	-	170,122	170,122
Retakaful payables		-	40,095	40,095	-	8,753	8,753
Interfund payable		19,212	-	19,212	28,807	-	28,807
Other creditors and accruals		157,918	7,687	165,605	177,055	13	177,068
Total liabilities		694,119	19,901,451	20,595,570	648,327	16,001,624	16,649,951
Total equity and liabilities		1,278,949	19,901,951	21,180,900	1,123,898	16,002,124	17,126,022

Contingencies and commitments

14

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



Umer Mansha
Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

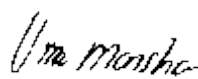
Window Takaful Operations (Un-audited)

Statement of Profit or Loss

For the year ended December 31, 2025

	Note	2025			2024		
		Operator's Sub Fund	Statutory Fund	Total	Operator's Sub Fund	Statutory Fund	Total
(Rupees in '000)							
Contribution revenue		1,150,210	4,946,359	6,096,569	901,443	3,357,438	4,258,881
Contribution ceded to retakaful		-	(258,946)	(258,946)	-	(110,783)	(110,783)
Net contribution revenue	15	1,150,210	4,687,413	5,837,623	901,443	3,246,655	4,148,098
Takaful operator's fee		422,516	(422,516)	-	349,646	(349,646)	-
Mudarib fee		15,157	(15,157)	-	43,319	(43,319)	-
Investment income	16	105,163	1,236,035	1,341,198	90,055	1,640,965	1,731,020
Net realised fair value gains on financial assets	17	34,818	560,980	595,798	26,831	744,817	771,648
Net fair value gains on financial assets at fair value through profit or loss - unrealised	18	69,712	632,405	702,117	37,411	836,426	873,837
Other income	19	8,078	247,829	255,907	41,887	308,882	350,769
		655,444	2,239,576	2,895,020	589,149	3,138,125	3,727,274
Net income		1,805,654	6,926,989	8,732,643	1,490,592	6,384,780	7,875,372
Takaful benefits	20	2,122	(3,228,603)	(3,226,481)	(2,550)	(2,666,745)	(2,669,295)
Recoveries from retakaful	20	-	165,457	165,457	-	62,664	62,664
Claims related expenses		-	(1,767)	(1,767)	-	(2,043)	(2,043)
Net takaful benefits		2,122	(3,064,913)	(3,062,791)	(2,550)	(2,606,124)	(2,608,674)
Net change in takaful liabilities (other than outstanding claims)	13.5	(6,843)	(3,859,196)	(3,866,039)	(17,427)	(3,775,870)	(3,793,297)
Acquisition expenses	21	(965,387)	(351)	(965,738)	(842,370)	-	(842,370)
Marketing and administration expenses	22	(282,384)	(988)	(283,372)	(154,710)	-	(154,710)
Other expenses	23	(65,220)	(1,541)	(66,761)	(48,482)	(2,786)	(51,268)
		(1,319,834)	(3,862,076)	(5,181,910)	(1,062,989)	(3,778,656)	(4,841,645)
Total expenses		(1,317,712)	(6,926,989)	(8,244,701)	(1,065,539)	(6,384,780)	(7,450,319)
Finance cost		(8,605)	-	(8,605)	(2,573)	-	(2,573)
Results from operating activities		479,337	-	479,337	422,480	-	422,480
Income tax expense	24	(70,078)	-	(70,078)	(116,037)	-	(116,037)
Profit after tax for the year		409,259	-	409,259	306,443	-	306,443

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



Umer Mansha
Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzoor Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

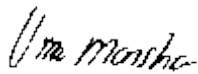
Window Takaful Operations (Un-audited)

Statement of Comprehensive Income

For the year ended December 31, 2025

	Operator's Sub Fund	Statutory Fund	Aggregate	
			2025	2024
----- (Rupees in '000) -----				
Profit after tax for the year	409,259	-	409,259	306,443
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	409,259	-	409,259	306,443

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



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Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Window Takaful Operations (Un-audited)

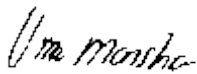
Statement of Changes in Equity

For the year ended December 31, 2025

	Capital contributed from shareholders fund	Money ceded to waqf fund	Retained earnings arising from business other than participating business attributable to shareholders (Ledger account D)*	Total
----- (Rupeesin '000) -----				
Balance as at January 01, 2024	35,630	500	258,498	294,628
Total comprehensive income for the year ended December 31, 2024				
- Profit for the year after tax	-	-	306,443	306,443
- Other comprehensive income	-	-	-	-
	-	-	306,443	306,443
Transaction with owners recorded directly in the equity				
Surplus transferred to shareholders' fund	-	-	(125,000)	(125,000)
Balance as at December 31, 2024	35,630	500	439,941	476,071
Total comprehensive income for the year ended December 31, 2025				
- Profit for the year after tax	-	-	409,259	409,259
- Other comprehensive income	-	-	-	-
	-	-	409,259	409,259
Transaction with owners recorded directly in the equity				
Surplus transferred to shareholders' fund	-	-	(300,000)	(300,000)
Balance as at December 31, 2025	35,630	500	549,200	585,330

*This includes balances maintained in accordance with the requirements of Section 35 of the Insurance Ordinance, 2000 read with Rule 14 of the Insurance Rules, 2017 to meet solvency margins, which are mandatorily maintained for carrying on of the family takaful business.

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



Umer Mansha
Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

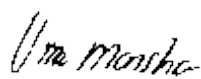
Window Takaful Operations (Un-audited)

Statement of Cash Flows

For the year ended December 31, 2025

	2025	2024
	Note	(Rupees in '000)
Operating Cash Flows		
(a) Takaful activities		
Takaful contribution received	6,066,190	4,342,332
Retakaful contribution paid	(101,657)	(27,248)
Claims paid	(3,196,405)	(2,561,570)
Hadia paid	(640,749)	(425,042)
Marketing and administrative expenses paid	(556,679)	(576,211)
Net cash flow generated from takaful activities	1,570,700	752,261
(b) Other operating activities		
Income tax paid	(806)	(4,933)
Total cash flow generated from all operating activities	1,569,894	747,328
Investment activities		
Profit / return received	1,285,619	1,985,812
Dividend received	201,400	201,277
Payment for investments	(24,108,736)	(11,657,068)
Proceeds from disposal of investments	21,694,247	9,061,248
Total cash flow generated used in investing activities	(927,470)	(408,731)
Financing activities		
Finance cost paid	(19,260)	(4,446)
Payments against lease liabilities	(16,061)	(7,543)
Surplus transfer to shareholders fund	(300,000)	(125,000)
Total cash flow used in financing activities	(335,321)	(136,989)
Net cash outflows from all activities	307,103	201,608
Cash and cash equivalent at the beginning of the period	2,614,021	2,412,413
Cash and cash equivalent at the end of the period	2,921,124	2,614,021
	12.2	
Reconciliation to statement of profit or loss		
Cash flow from all operating activities	1,569,894	747,328
Depreciation and amortisation expense	(64,189)	(26,018)
Financial charge expense	(19,260)	(4,446)
Gain on derecognition of ROU asset	575	-
Gain on disposal of investment	595,798	771,648
Dividend income	201,400	194,623
Other investment income	1,373,445	1,866,905
Increase in assets other than cash	(10,143)	31,699
Increase in liabilities other than borrowings	(3,962,062)	(4,169,394)
Surplus on revaluation of investment	723,799	894,098
Profit after taxation for the period	409,259	306,443

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



Umer Mansha
Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Notes to and forming part of the Financial Statements (Un-audited)

For the year ended December 31, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

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

The Company is engaged in Takaful business carrying on non-participating business only. Following are the statutory funds in respect of each class of its Takaful business:

- Individual Family Takaful Business (refer note 1.2)
- Group Family Takaful Business (refer note 1.2)

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

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

2. BASIS OF PREPARATION

These financial statements have been presented in accordance with the requirements of the Insurance Rules, 2017 issued through S.R.O. 88 (I) / 2017 dated February 9, 2017 by the Securities and Exchange Commission of Pakistan (SECP).

The Securities and Exchange Commission of Pakistan (the SECP), in exercise of the powers conferred under Rule 11(1)(c) of the Takaful Rules, 2012, has imposed certain conditions vide its Circular No. 15 of 2019 dated November 18, 2019 on life insurers related to financial reporting of their Window Takaful Operations. Under these conditions, the Life Insurers shall separately prepare financial statements for its takaful operations as if these are carried out by a Standalone Takaful Operator and shall be annexed with the insurer's annual / interim report (as applicable).

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017; and
- Provisions of directives and notification issued under the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, Insurance Accounting Regulations, 2017, Takaful Rules, 2012, General Takaful Accounting Regulations, 2019, and Islamic Financial Accounting Standards (IFAS).

In case the requirements differ, provisions or directives of the Companies Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and Takaful Rules, 2012, General Accounting Regulations, 2019 and Islamic Financial Accounting Standards (IFAS) shall prevail.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 Amendments to published approved accounting standard that are effective in current year and are relevant to the Operator

3.1 Following amendments to published approved accounting standards are mandatory for the Operator's accounting periods beginning on or after 01 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates')

The above-mentioned amendments to approved accounting standard did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

3.2 Standards, interpretations, amendments and improvements to the accounting and reporting standards as applicable in Pakistan that are not effective in the current year but relevant to the Operator

The following standards, amendments and interpretations of the accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 1, 2025:

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' regarding the classification and measurement of financial instruments (effective for annual periods beginning on or after 01 January 2026). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

The above standards, amendments and improvements are likely to have no significant impact on the financial statements.

3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not effective in the current year ad not considered relevant to the Operator.

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or do not have any significant impact on the Operator's financial statements and are therefore not detailed in these financial statements.

3.4 Applicability of IFRS 9 and IFRS 17**Effective Date**

- IFRS 17 – Insurance Contracts	January 1, 2027
- IFRS 9 – Financial Instruments	January 1, 2027

IFRS 17 – Insurance Contracts has been issued by the IASB to be effective for annual periods beginning on or after January 1, 2023. Security and Exchange Commission of Pakistan (‘SECP’) vide S.R.O. 1715(1) / 2023 dated November 21, 2023 deferred the applicability of the standard until January 1, 2026. However, on July 23, 2025, SECP vide S.R.O 1336(1) / 2025 further deferred the applicability of the standard until January 1, 2027.

IFRS 17 replaces IFRS 4 - Insurance Contracts. The new standard will apply to all entities that issue insurance and reinsurance contracts, and to all entities that hold reinsurance contracts. The 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.

Further, SECP vide S.R.O. 506(1)/2024 deferred the applicability of International Financial Reporting Standards 9 - Financial Instruments through optional temporary exemption as given in para 20A of IFRS 4 - Insurance Contracts [replaced by IFRS 17- Insurance Contracts], was extended for annual periods beginning before January 1, 2026 subject to fulfilling the same conditions as are prescribed by para 20B of IFRS 4. In line with the deferral in applicability of IFRS 17, SECP has further extended the optional exemption for annual periods beginning before January 1, 2027.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

4.1 Types of Window Takaful Operations**a) Individual family takaful unit linked business**

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

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

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

Revenue recognition

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

Recognition of takaful liabilities

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

Claim expenses

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

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

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

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

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

b) Group family takaful business

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

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

Revenue recognition

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

Recognition of takaful liabilities

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

Claim expenses

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

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

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

Experience refund of contribution

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

4.2 Reinsurance / retakaful contracts held

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

4.2.1 Takaful

Retakaful contribution

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

Retakaful recoveries

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

Experience refund

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

Amount due from / to retakaful operator

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

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

4.3 Statutory funds

The Operator maintains statutory funds in respect of each class of life assurance business in which it operates. Assets, liabilities, revenues and expenses of the Operator are referable to the respective statutory funds. However, where these are not referable to statutory funds, these are allocated to shareholders' fund on the basis of actuarial advice. Apportionment of assets, liabilities, revenues and expenses, whenever required between funds are made on the basis certified by the appointed actuary of the Operator. Takaful liabilities have been included in statutory funds on the

basis of the actuarial valuation carried out by the appointed actuary of the Operator on the reporting date as required under Section 50 of the Insurance Ordinance, 2000.

4.4 Takaful liabilities

a) Individual family takaful unit linked business

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

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

- Incurred But Not Reported (IBNR) claims

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

- Unearned premium and premium deficiency reserve

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

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

b) Group family takaful unit linked business

Policy reserves for these plans are based on the unearned contribution method net of allowances made for acquisition expenses, unexpired retakaful contribution and profit commission. Consideration is also given to the requirement for a Premium Deficiency Reserve. The reserves also comprise allowance for "Incurred But Not Reported" (IBNR) claims. The provision for IBNR claims as included in policyholders' liability is estimated at 15% of the earned contribution for the year. The assumption is based on "Claims run-off triangle" study carried out as at December 31, 2025.

c) Reserve for unearned contribution - Takaful Contracts

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

4.5 Leases

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

The Operator acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Operator 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 Operator allocates the consideration in the contract to each lease component based on its relative stand-alone prices.

The Operator recognizes right-of-use asset and its related lease liability at the commencement date of the lease.

i) **Right-of-use asset**

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

ii) **Lease liability**

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

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

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

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

The lease liability is measured at 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 Operator's estimate of the amount expected to be payable under a residual value guarantee, if the Operator changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

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

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

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

4.6 Receivables and payables relating to takaful contracts

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

4.7 Provisions

Provisions are recognised when the Operator has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.8 Other creditors and accruals

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

4.9 Employees accumulated compensated absences

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

4.10 Financial instruments

4.10.1 Financial assets

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

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

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

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

b) Held to maturity

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

c) Loans and receivables

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

d) Available for sale

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

Initial recognition and measurement

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

Subsequent measurement

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

Fair / market value measurements

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

Impairment against financial assets

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

Derecognition

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

Offsetting of financial assets and liabilities

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

4.10.2 Financial liabilities

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

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

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

4.11 Cash and cash equivalents

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

4.12 Other revenue recognition

- Return on fixed income and government securities are recognised on time proportion basis using the effective interest rate method.
- Return on deposits are recognised on a time proportion basis.
- Dividend income from investments is recognised when the Operator's right to receive the dividend is established.
- Gain or loss on sale of investments is included in the statement of profit or loss in the year in which disposal has been made.
- Gains and losses on disposal of fixed assets are taken to the statement of profit or loss / revenue account in the year in which they arise.

4.13 Acquisition costs

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

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

4.14 Takaful operator fee

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

4.15 Taxation

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

Current

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

Deferred

Deferred taxation is recognised using liability method on all major temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are 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.

4.16 Segment reporting

A segment is a distinguishable component of the Operator that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Operator 's primary format of reporting is based on business segments. Operating segments are reported in a manner consistent with that provided to the chief operating decision-maker.

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these financial statements, the significant judgments made by management in applying the Operator's accounting policies and the key sources of estimating uncertainty were the same as those applied to the annual financial statements of the Company for the year ended December 31, 2025.

	Note	2025	2024
------(Rupees in '000)-----			
6. Right of use assets			
Agency branches	6.1	74,665	87,800
6.1 Right of use assets			
Cost		99,538	89,536
Accumulated depreciation		(24,873)	(1,736)
Net book value		74,665	87,800
Opening net book value		87,800	-
Additions - cost		12,369	89,536
Disposal - NBV		(2,367)	-
Depreciation charged		(23,137)	(1,736)
Closing net book value		74,665	87,800
6.2 Lease liabilities			
Opening balances		71,661	-
Addition during the year		11,957	79,194
Deletion during the year		(2,942)	-
		80,676	79,194
Interest accretion during the year		19,457	4,456
Repaid during the year		(35,321)	(11,989)
Closing balance		64,812	71,661
Current portion		18,621	16,259
Non-current portion		46,191	55,402
		64,812	71,661
7. INVESTMENT IN EQUITY SECURITIES			
Fair value through profit and loss (held for trading)	7.1	2,323,046	1,513,471

7.1 Details of equity securities - fair value through profit and loss

	2025			2024		
	Carrying value	Impairment / provision	Market value	Carrying value	Impairment / provision	Market value
----- (Rupees in '000) -----						
Related parties	-	-	-	17,682	-	17,531
Others	2,053,244	-	2,323,046	1,348,674	-	1,495,940
	2,053,244	-	2,323,046	1,366,356	-	1,513,471

7.1.1 Details of equity securities - fair value through profit or loss (held for trading)

	Sector	2025		2024	
		No. of shares	Market value in Rupees (000)	No. of shares	Market value in Rupees (000)
Related party					
Nishat Chunian Limited	Textile Composite	-	-	650,000	17,531
			-		17,531
Others					
Panther Tyres Limited	Automobile Parts & Accessories	1,703,292	96,594	956,865	44,628
Hi-Tech Lubricants Limited	Automobile Parts & Accessories	939,354	54,285	-	-
Exide Pakistan Limited	Automobile Parts & Accessories	-	-	12,500	10,016
Atlas Battery Limited	Automobile Parts & Accessories	-	-	23,813	9,067
Honda Atlas Cars (Pakistan) Limited	Automobile Parts & Accessories	83,800	23,003	-	-
Agriauto Industires Limited	Automobile Parts & Accessories	191,113	30,123	50,506	5,489
Lucky Cement Limited	Cement Industry	6,788	3,224	49,838	54,846
Cherat Cement Company Limited	Cement Industry	346,830	115,675	200,000	54,735
Pioneer Cement Limited	Cement Industry	-	-	71,899	14,455
Lucky Core Industries Limited	Chemical	-	-	12,000	12,914
Dynea Pakistan Limited	Chemical	-	-	51,100	11,388
Sitara Chemical Industries Limited	Chemical	-	-	62,614	19,725
Lotte Chemical Pakistan Limited	Chemical	-	-	331,107	6,923
BankIslami Pakistan Limited	Commercial Banks	-	-	750,000	17,228
Faysal Bank Limited	Commercial Banks	299,325	27,768	3,348,707	162,345
Meezan Bank Limited	Commercial Banks	605,966	269,497	1,500,077	362,974
Mughal Iron & Steel Industries Limited	Engineering	-	-	1,027,310	82,287
Engro Corporation Limited	Fertilizer	-	-	6,500	2,894
Fatima Fertilizer Company Limited	Fertilizer	355,161	53,846	791,179	61,934
Engro Fertilizers Limited	Fertilizer	395,500	89,521	302,500	61,767
National Foods Limited	Food & Personal Care Products	329,295	130,470	229,096	44,280
Raffhan Maize Products Company Limited	Food & Personal Care Products	4,318	43,432	1,210	10,890
Shabbir Tiles & Ceramics Limited	Glass & Ceramics	-	-	726,000	11,681
Ferozsans Laboratories Limited	Healthcare Company	115,099	43,247	-	-
Haleon Pakistan Limited	Healthcare Company	20,000	16,666	-	-
Engro Holding Limited	Investment	9,441	2,240	-	-
Bata Pakistan Limited	Leather & Tanneries	18,318	22,612	19,720	39,812

	Sector	2025		2024	
		No. of shares	Market value in Rupees ('000)	No. of shares	Market value in Rupees ('000)
Pakistan Petroleum Limited	Oil & Gas	981,423	231,174	416,429	84,764
Pakistan State Oil Company Limited	Oil & Gas	152,158	72,147		
Oil & Gas Development Company Limited	Oil & Gas	587,145	165,041	277,393	63,040
Attock Petroleum Limited	Oil & Gas	73,007	39,830	2,427	1,346
Attock Refinery Limited	Oil & Gas	105,000	71,760	-	-
Mari Petroleum Company Limited	Oil & Gas	-	-	1,435	1,033
Packages Limited	Packaging	85,200	65,169	-	-
Century Paper & Board Mills Limited	Paper, Board And Packaging Industries	378,500	13,581	-	-
Abbott Laboratories (Pakistan) Limited	Pharmaceuticals	129,119	135,593	50,256	62,210
Highnoon Laboratories Limited	Pharmaceuticals	-	-	29,728	27,297
Glaxosmithkline Pakistan	Pharmaceuticals	66,701	25,999	-	-
The Searle Company Limited	Pharmaceuticals	-	-	425	44
AGP Limited	Pharmaceuticals	532,138	108,104	-	-
Mari Energies Limited	Power Producer	1,430	1,024	-	-
Wafi Energy Pakistan Limited	Power Producer	118,836	26,391	-	-
International Industries Limited	Steel Industry	205,055	38,175	-	-
International Steels Limited	Steel Industry	800	84	-	-
Systems Limited	Technology & Communication	783,078	133,812	46,977	29,194
Interloop Limited	Textile Composite	2,043,837	157,540	1,815,104	124,734
Gul Ahmed Textile Mills Limited	Textile Composite	549,295	15,419	-	-
			<u>2,323,046</u>		<u>1,495,940</u>

7.1.2 The shares are held in the name of Adamjee Life, and no separate CDC account of shares is opened for the Takaful operation as it is part of the main entity.

		2025	2024
	Note	----- (Rupees in '000) -----	-----
8. INVESTMENT IN GOVERNMENT SECURITIES			
Fair value through profit and loss (held for trading)	8.1	<u>9,777,977</u>	<u>8,602,000</u>

8.1 Fair value through profit and loss (held for trading)

	2025					
	Term	Maturity year	Effective yield (%)	Face value	Carrying Value	Market Value
	----- (Rupees in '000) -----					
Fixed rate instruments						
GOP Ijara Sukuk	1 years	2026	5.07% - 10.49%	4,816,000	4,731,289	4,764,304
GOP Ijara Sukuk	2 years	2027	10.23% - 10.52%	497,500	518,171	525,532
GOP Ijara Sukuk	3 years	2028	10.48% - 10.63%	820,000	862,575	899,528
GOP Ijara Sukuk	4 years	2029	10.55% - 10.72%	535,000	560,477	589,877
GOP Ijara Sukuk	5 years	2030	10.34% - 10.83%	800,000	800,613	816,896

2025						
Term	Maturity year	Effective yield (%)	Face value	Carrying Value	Market Value	
----- (Rupees in '000) -----						
Floating rate instruments						
GOP Ijara Sukuk	3 years	2026	10.63% - 11.31%	985,000	994,886	987,917
GOP Ijara Sukuk	3 years	2027	10.16% - 11.40%	439,905	444,164	441,272
GOP Ijara Sukuk	3 years	2028	10.69%	660,000	678,023	665,148
GOP Ijara Sukuk	5 years	2029	10.13%	25,000	25,583	25,015
GOP Ijara Sukuk	5 years	2030	10.46%	62,500	62,500	62,488
					-	
As at December 31, 2025				9,640,905	9,678,281	9,777,977
Unrealised gain (note 18)				-	99,696	
				9,640,905	9,777,977	9,777,977
As at December 31, 2024				8,407,365	8,602,000	8,602,000

2025 2024
Note ----- (Rupees in '000) -----

9. INVESTMENT IN DEBT SECURITIES

Fair value through profit and loss (held for trading)	9.1	2,394,203	262,332
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9.1 Fair value through profit and loss (held for trading)

	2025			2024		
	Carrying value	Provision / impairment	Market value	Carrying value	Provision / impairment	Market value
----- (Rupees in 000) -----						
Corporate sukuk / Bai' muajjal	2,393,915	-	2,394,203	259,548	-	262,332

9.1.1 Corporate Sukuks

Maturity date	2025	2024	Face Value	Carrying Value	Market Value
	(Number of certificates)		----- (Rupees in '000) -----		
Dubai Islamic Sukuk	22	22	22,000	22,044	22,176
Meezan Bank Limited Sukuk	64	64	65,000	63,628	63,915
Zarai Tarikiati Bank Limited.	-	-	-	783,828	783,828
Askari Bank Limited	-	-	-	523,834	523,834
United Bank Limited	25,008	-	-	1,000,580	1,000,450
Pakistan Energy Sukuk II	-	25,008	-	-	-
Meezan Bank Limited - Sukuk	-	50	-	-	-
			87,000	2,393,915	2,394,203
Unrealised gain (note 18)				288	-
			87,000	2,394,203	2,394,203
As at December 31, 2024			261,878	262,332	262,332

2025
Note -----(Rupees in '000)-----
2024

10. INVESTMENT IN OPEN-ENDED MUTUAL FUNDS

Fair value through profit and loss (held for trading) 10.1 3,209,739 3,585,453

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

	2025			2024		
	Carrying value	Provision / Impairment	Market value	Carrying value	Provision / Impairment	Market value
----- (Rupees in '000) -----						
Related parties	870,716	-	1,195,500	1,414,809	-	1,688,728
Others	1,985,010	-	2,014,239	1,782,604	-	1,896,725
	<u><u>2,855,726</u></u>	<u><u>-</u></u>	<u><u>3,209,739</u></u>	<u><u>3,197,413</u></u>	<u><u>-</u></u>	<u><u>3,585,453</u></u>

10.1.1 Details of open-ended mutual funds - fair value through profit or loss (held for trading)

	2025		2024	
	No. of units	Market value (Rupees in '000)	No. of units	Market value (Rupees in '000)
Related parties - MCB Funds				
Alhamra Islamic Income Fund	-	-	8,672,001	987,267
Alhamra Islamic Stock Fund	18,279,132	671,768	15,561,092	341,255
Alhamra Islamic Asset Allocation Fund	1,967,201	432,351	1,819,004	283,084
Alhamra Opportunity Fund - Dividend Strategy Plan	291,513	61,598	280,723	40,733
Alhamra Cash Management Optimizer	282,464	29,783	334,538	36,389
		<u><u>1,195,500</u></u>		<u><u>1,688,728</u></u>
Others				
Faysal Halal Amdani Fund	2,768,433	295,207	-	-
Faysal Halal Amdani Fund II	16,001,048	1,618,273	-	-
Faysal Halal Amdani Fund- II	195,992	19,665	-	-
Faysal Islamic Sovereign Plan I	-	-	11,593,993	1,277,426
Faysal Islamic Special Income Plan	-	-	5,712,133	619,299
Faysal Islamic Cash Fund	556,508	55,841	-	-
NBP Islamic Fixed Term Munafa Plan IX	2,498,301	25,253	-	-
		<u><u>2,014,239</u></u>		<u><u>1,896,725</u></u>
Total		<u><u>3,209,739</u></u>		<u><u>3,585,453</u></u>

	2025	2024
Note	------(Rupees in '000)-----	
11. ACCRUED INCOME ON INVESTMENTS AND OTHERS		
Accrued income on investments	193,644	148,077
Other receivables	96	49,666
Security deposits	9,061	10,401
Receivable against the sale of investment	-	6,628
Loan to employees - secured	3,248	2,797
Dividend receivable	10	9
	206,059	217,578

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

	2025	2024
Note	------(Rupees in '000)-----	
12. CASH AND BANK		
- Policystamps	6,756	9,273
Cash at bank		
- Current accounts	164,148	155,687
- Islamic saving accounts	2,750,220	2,449,061
	2,914,368	2,604,748
	2,921,124	2,614,021

12.1 This carries profit rate ranging from 4% to 10% (December 31, 2024: 6.73% to 18.50%) per annum.

	2025	2024
Note	------(Rupees in '000)-----	
12.2 Cash and cash equivalents		
Cash and cash equivalents includes the following for the purpose of cash flow statement:		
- Cash in hand and policystamps	6,756	9,273
- Cash at bank	2,914,368	2,604,748
	2,921,124	2,614,021

	Note	2025	2024
------(Rupees in '000)-----			
13 TAKAFUL LIABILITIES			
Investment component of unit linked and account value policies		18,879,238	15,089,924
Reported outstanding claims (including claims in payment)	13.1	335,656	303,813
Other takaful liabilities	13.2	151,291	143,167
Incurred but not reported claims	13.3	61,055	63,503
Liabilities under group takaful contracts (other than investment linked)	13.4	23,899	10,874
		19,451,139	15,611,281
Surplus retained in Participants' Takaful Fund (PTF)	13.6	356,692	298,668
Total takaful liabilities		19,807,831	15,909,949
13.1 Reported outstanding claims (including claims in payment)			
Gross of retakaful		335,656	303,813
Retakaful recoveries		(13,256)	(13,256)
Net reported outstanding claims		322,400	290,557
13.2 Other takaful liabilities			
Gross of retakaful		190,172	177,101
Retakaful credit		(38,881)	(33,934)
Net of retakaful		151,291	143,167
13.3 Incurred but not reported claims			
Individual life			
Gross of retakaful		57,941	69,973
Retakaful recoveries		(11,147)	(14,810)
Net of retakaful		46,794	55,163
Group life			
Gross of retakaful		43,987	20,811
Retakaful recoveries		(29,726)	(12,471)
Net of retakaful		14,261	8,340
		61,055	63,503
13.4 Liabilities under group takaful contracts (other than investment linked)			
Gross of retakaful		56,940	18,926
Retakaful credit		(33,041)	(8,052)
Net of retakaful		23,899	10,874

	2025	2024
Note	------(Rupees in '000)-----	
13.5 Net change in takaful liabilities (other than outstanding claims)		
Total takaful liabilities	19,807,831	15,909,949
reported outstanding claims (including claims in payment)	(335,656)	(303,813)
	19,472,175	15,606,136
Opening Takaful liabilities (other than outstanding claims)	(15,606,136)	(11,812,839)
Net change in takaful liabilities (other than outstanding claims)	3,866,039	3,793,297

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

14 Contingencies and commitments

The contingencies reported in annual financial statements of the Company also includes impacts of Window Takaful Operations as at December 31, 2025. Out of reported amount thereon, an amount of Rs. 413.62 million (December 31, 2024: Rs. 225.36 million) pertains to Window Takaful Operations. There are no other material contingencies or commitments as at December 31, 2025.

	2025	2024
Note	------(Rupees in '000)-----	
15. Contribution revenue		
Gross Contribution		
Regular Contribution Individual Policies*		
- First year	1,689,293	1,075,088
- Second year renewal	661,901	508,406
- Subsequent year renewal	2,019,338	2,165,764
Total regular contributions individual policies	4,370,532	3,749,258
Single contribution individual Policies*	1,393,413	365,345
Group policies without cash values	332,624	144,278
	1,726,037	509,623
Total Gross Contribution	6,096,569	4,258,881

	2025	2024
Note	------(Rupees in '000)-----	
Less: contributions ceded to retakaful operator		
On individual life first year business	(21,509)	(13,624)
On individual life second year business	(7,175)	(7,299)
On individual life subsequent renewal business	(24,037)	(28,149)
On individual life single contribution business	(117)	(49)
On group policies	(206,108)	(61,662)
	(258,946)	(110,783)
Net contribution	5,837,623	4,148,098
* Individual contracts are those underwritten on an individual basis.		
16. INVESTMENT INCOME		
Dividend income	201,402	194,623
Income from government securities - fair value through profit or loss	1,029,457	1,481,439
Income from debt securities - fair value through profit or loss		
Return on corporate sukuks / bai' muajjal	110,339	54,958
	1,341,198	1,731,020
17. NET REALISED FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS		
<i>Fair value through profit or loss</i>		
<i>Realised gains / (losses) on:</i>		
- Equity securities	453,558	590,621
- Government securities	546	260
- Debt securities	(1,785)	-
- Open-ended mutual funds	143,479	180,767
	595,798	771,648

	2025	2024
	------(Rupees in '000)-----	
18. NET FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNREALISED		
<i>Net unrealised gains on:</i>		
- Equity securities	269,802	147,115
- Government securities	99,696	356,159
- Debt securities	288	2,784
- Mutual funds	354,013	388,040
Total gains	723,799	894,098
Less: Investment related expenses	(21,682)	(20,261)
	702,117	873,837
19. OTHER INCOME		
Return on bank balances	190,786	302,514
Bonus allocation from operator's sub fund	64,517	48,237
Gain on derecognition of ROU asset	575	-
Miscellaneous income	29	18
	255,907	350,769
20. TAKAFUL BENEFITS		
Gross Claims		
Claims under individual policies		
- by death	(127,358)	(130,870)
- by insured event other than death	(110)	(1,775)
- by maturity	(236,596)	(340,806)
- by surrender	(2,672,460)	(2,108,864)
Total gross individual policy claims	(3,036,524)	(2,582,315)
Claims under group contracts		
- by death	(169,961)	(83,032)
- by insured event other than death	(19,996)	(3,948)
Total gross group contract claims	(189,957)	(86,980)
Total gross claims	(3,226,481)	(2,669,295)
Less: Retakaful recoveries		
- on individual life claims	25,050	17,516
- on group life claims	140,407	45,148
	165,457	62,664
Net takaful benefit expense (excluding claim related expenses)	(3,061,024)	(2,606,631)

20.1 Claim development table

20.1.1 Individual life claims

Incident year	Incident Reported				
	2021	2022	2023	2024	2025
	(Rupees in '000)				
Estimate of ultimate claim costs:					
At the end of accident year	48,268	65,065	82,355	73,757	97,992
One year later	87,139	98,837	125,429	111,579	-
Two years later	94,918	102,546	130,372	-	-
Three years later	97,175	103,296	-	-	-
Four years later	98,218	-	-	-	-
Current estimate of cumulative claims	98,218	103,296	130,372	111,579	97,992
Less: cumulative payments to date	(94,457)	(95,391)	(121,768)	(104,980)	(65,120)
	<u>3,761</u>	<u>7,905</u>	<u>8,604</u>	<u>6,599</u>	<u>32,872</u>

Sum of 2021 to 2025 outstanding claims	59,741
Claims outstanding prior to 2021, as at December 31 2025	2,603
Liability recognised in the statement of financial position	<u>62,344</u>

20.1.2 Group life claims

Incident year	Incident Reported				
	2021	2022	2023	2024	2025
	(Rupees in '000)				
Estimate of ultimate claim costs:					
At the end of accident year	29,459	28,641	74,506	67,215	176,996
One year later	41,221	43,593	88,901	81,315	-
Two years later	43,321	45,233	89,940	-	-
Three years later	43,686	45,233	-	-	-
Four years later	43,686	-	-	-	-
Current estimate of cumulative claims	43,686	45,233	89,940	81,315	176,996
Cumulative payments to date	(43,686)	(45,233)	(89,940)	(81,315)	(132,458)
Liability recognised in the statement of financial position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,538</u>
Sum of 2021 to 2025 outstanding claims					<u>44,538</u>
Claims outstanding prior to 2021, as at December 31 2025					<u>-</u>
Liability recognised in the statement of financial position					<u>44,538</u>

	2025	2024
	------(Rupees in '000)-----	
21. ACQUISITION EXPENSES		
Remuneration to takaful intermediaries on individual policies:		
- Hadia to agent on first year contributions	(478,521)	(328,227)
- Hadia to agent on second year contributions	(43,135)	(37,249)
- Hadia to agent on subsequent year renewal contributions	(47,897)	(49,991)
- Hadia to agent on single contributions	(30,332)	(8,737)
- Other benefits to takaful intermediaries	(36,971)	(41,373)
Total hadia cost	(636,856)	(465,577)
Remuneration to takaful intermediaries on group contracts:		
- Hadia	(7,134)	(4,759)
- Other benefits to takaful intermediaries	(1,466)	(545)
	(8,600)	(5,304)
Other acquisition costs		
- Employee benefit costs	(175,810)	(205,609)
- Office repairs and maintenance	(25,902)	(29,873)
- Rent, rates and taxes	(881)	(28,856)
- Car fuel and maintenance	(18,339)	(27,869)
- Marketing cost	(8,860)	(16,050)
- Policy stamps	(22,517)	(14,480)
- Electricity, gas and water	(9,752)	(12,636)
- Entertainment	(3,761)	(5,222)
- Depreciation -- ROU & operating assets	(23,137)	(9,172)
- Travelling expenses	(5,117)	(4,702)
- Postage	(3,893)	(4,491)
- Training and development	(6,122)	(4,434)
- Printing and stationery	(1,270)	(2,041)
- Financial charges	(10,655)	(1,873)
- Information technology expense	(1,457)	(1,814)
- Legal and professional charges	(1,575)	(1,130)
- Medical examination fee	(904)	(771)
- Insurance cost	(330)	(466)
	(320,282)	(371,489)
	(965,738)	(842,370)

		2025	2024
	Note	------(Rupees in '000)-----	
22. MARKETING AND ADMINISTRATION EXPENSES			
Employee benefit cost	22.1	(121,696)	(72,762)
Legal and professional charges		(12,312)	(16,282)
Postage and courier		(20,104)	(13,063)
Depreciation - ROU and operating assets		(40,482)	(16,311)
Information technology expenses		(14,696)	(8,257)
Vehicle running		(13,761)	(7,213)
Fees and subscription		(456)	(389)
Printing and stationery		(5,608)	(3,621)
Office repairs and maintenance		(22,789)	(3,462)
Electricity, gas and water		(4,447)	(1,775)
Travelling expenses		(4,415)	(1,711)
Appointed actuary's fee		(1,924)	(1,662)
Insurance expense		(3,625)	(914)
SECP annual supervision fee		(3,747)	(3,355)
Auditor's remuneration		(873)	(879)
Rent expense		(992)	(869)
Other expense		(664)	(730)
Entertainment		(1,841)	(599)
Amortisation		(570)	(535)
Bank charges		(2,159)	(321)
Training and development		(1,269)	-
Marketing cost		(4,942)	-
		(283,372)	(154,710)
Employee benefit cost			
Salaries, allowance and other benefits		(117,093)	(69,510)
Charges for post employment benefits		(4,603)	(3,252)
		(121,696)	(72,762)

22.1 The note for the retirement benefit obligation is not separately disclosed in these financial statements, as the actuarial valuation estimates the liability at a total Company level rather than bifurcating it between conventional and takaful employees.

		2025	2024
	Note	------(Rupees in '000)-----	
23. OTHER EXPENSES			
Bonus Allocation to PIF		(64,517)	(48,237)
Charity and donations	23.1	(2,118)	(1,535)
Others		577	(1,250)
Expenses on behalf of PTF - tabbarru		(577)	(192)
Expenses on behalf of PTF - contribution		(126)	(54)
		(66,761)	(51,268)

23.1 This represents the charity payable against purification of income of Sharia compliant securities.

	2025	2024
	------(Rupees in '000)-----	
24. INCOME TAX EXPENSES		
For the year		
- Deferred tax charge	(70,078)	(116,037)

24.1 Deferred tax liability

	2025			
	Balance as at January 01	Recognised in profit & loss account	Recognised in other comprehensive income	Balance as at December 31
	----- (Rupees in '000) -----			
Deductible / (taxable) temporary differences				
On retained earning - Ledger account D	282,367	70,078	-	352,445
	2024			
Deductible / (taxable) temporary differences				
On retained earning - Ledger account D	166,330	116,037	-	282,367

25. RELATED PARTY TRANSACTIONS

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

	2025	2024
	------(Rupees in '000)-----	
Transactions during the period		
Holding company		
Takaful expense	330	-
Associated undertakings		
Contribution written	57,050	41,722
Takaful expense	33,416	22,758
Hadia and other incentives in respect of bancatakaful	415,160	113,691
Profit on bank deposits	189,002	187,802
Bank charges	279	1,413
Investments purchased	2,039,076	1,987,090
Investments sold	2,970,430	1,421,295
Dividend income	21,377	67,720

	2025	2024
	----- (Rupees in '000) -----	
Other related parties		
Contribution written	14,536	9,301
Takaful expense	-	500
Investments purchased	-	20,401
Investments sold	-	50,500
Investment advisor fee	5,289	3,959
Key management personnel		
Remuneration	28,572	27,153
Advances given to key management personnels	1,231	914
Recoveries against advances to key management personnels	683	772
Staff retirement benefit plan (gratuity fund)		
Charge for the period	13,860	9,656
Balances outstanding as at the end of the period		
Associated undertakings		
Contribution due but unpaid	8,967	7,128
Bank deposits	2,954,218	2,406,533
Investments held	986,527	1,706,401
Hadia payable	17,057	28,444
Key management personnel		
Short term loans (as per policy)	280	651
Other related parties		
Contribution due but unpaid	4,283	2,894
Remuneration payable for the management of discretionary investment portfolio	-	-

26. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	----- (Rupees in '000) -----					
Fee	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	31,964	26,861
Compensated absence	-	-	-	-	1,502	1,147
Bonus	-	-	-	-	4,296	1,644
Rent and house maintenance	-	-	-	-	12,785	10,745
Utilities	-	-	-	-	3,196	2,686
Medical	-	-	-	-	3,187	2,747
Conveyance, other allowances and benefits	-	-	-	-	23,515	21,573
	-	-	-	-	80,445	67,403
Number of persons					38	30

26.1 The remuneration of the CEO and Directors will remain the same is disclosed in financial statements of the Company. The cost is not broken down for Takaful Operations as the CEO and the Board is governing the Company as a whole including the Window Takaful Operations.

27. SEGMENTAL INFORMATION

27.1 REVENUE ACCOUNT BY STATUTORY FUND For the year ended December 31, 2025

	Individual Family Takaful Unit Linked Business	Group Life Family Takaful Business	Total
----- (Rupees in '000) -----			
Income			
Contribution less re-takaful	5,711,107	126,516	5,837,623
Net investment income	2,788,031	42,472	2,830,503
Total net income	8,499,138	168,988	8,668,126
Takaful benefits and expenditures			
Takaful benefits including bonuses net of retakaful	(3,013,241)	(49,550)	(3,062,791)
Management expenses less recoveries	(1,241,193)	(18,766)	(1,259,959)
Total takaful benefits and expenditures	(4,254,434)	(68,316)	(4,322,750)
Excess of income over takaful benefits and expenditures	4,244,704	100,672	4,345,376
Net change in takaful liabilities (other than outstanding claims)	(3,796,668)	(69,371)	(3,866,039)
Surplus before tax	448,036	31,301	479,337
Movement in participants' liabilities	3,796,668	69,371	3,866,039
Surplus transferred to shareholders' fund	(300,000)	-	(300,000)
Balance of statutory funds at beginning of the year	16,130,953	233,675	16,364,628
Balance of statutory funds at end of the year	20,075,657	334,347	20,410,004

REVENUE ACCOUNT BY STATUTORY FUND
For the year ended December 31, 2024

	Individual Family Takaful Unit Linked Business	Group Life Family Takaful Business	Total
	------(Rupees in '000)-----		
Income			
Contribution less re-takaful	4,065,482	82,616	4,148,098
Net investment income	3,635,322	43,715	3,679,037
Total net income	<u>7,700,804</u>	<u>126,331</u>	<u>7,827,135</u>
Takaful benefits and expenditures			
Takaful benefits including bonus net of re-takaful	(2,566,842)	(41,832)	(2,608,674)
Management expenses less recoveries	(990,935)	(11,695)	(1,002,630)
Total takaful benefits and expenditures	<u>(3,557,777)</u>	<u>(53,527)</u>	<u>(3,611,304)</u>
Excess of income over takaful benefits and expenditures	<u>4,143,027</u>	<u>72,804</u>	<u>4,215,831</u>
Net change in takaful liabilities (other than outstanding claims)	<u>(3,763,985)</u>	<u>(29,312)</u>	<u>(3,793,297)</u>
Surplus before tax	379,042	43,492	422,534
Movement in participants' liabilities	3,763,985	29,312	3,793,297
Surplus transferred to shareholders' fund	(125,000)	-	(125,000)
Balance of statutory funds at beginning of the year	<u>12,112,926</u>	<u>160,871</u>	<u>12,273,797</u>
Balance of statutory funds at end of the year	<u><u>16,130,953</u></u>	<u><u>233,675</u></u>	<u><u>16,364,628</u></u>

27.2 REVENUE ACCOUNT BY SUB STATUTORY FUND
For the year ended December 31, 2025

	Note	Statutory funds		Aggregated	
		Individual Family Takaful	Group Family Takaful	2025	2024
----- (Rupees in '000) -----					
27.2.1 Operator's Sub Fund (OSF)					
Income					
Wakalah fee		878,030	31,740	909,770	732,143
Tharawat fee	27.2.3	289,511	-	289,511	223,479
Mudarib fee	27.2.2	5,715	9,442	15,157	43,319
Bid offer spread		240,439	-	240,439	169,300
Participants' takaful fund management income	27.2.2	87,719	-	87,719	85,544
Income against admin cost charged to PIF	27.2.3	45,286	-	45,286	40,623
Investment income		206,773	10,998	217,771	196,184
Total income		1,753,473	52,180	1,805,653	1,490,592
Expenditures					
Acquisition costs		(956,787)	(8,600)	(965,387)	(842,370)
Administration cost and others		(280,904)	(10,084)	(290,988)	(157,283)
Claim related expenses		2,722	(600)	2,122	(2,550)
Bonus allocation to PIF	27.2.3	(64,517)	-	(64,517)	(48,237)
Expenses on behalf of PTF - others		(126)	-	(126)	(54)
Expenses on behalf of PTF - tabbarru		(577)	-	(577)	(191)
Total management cost		(1,300,189)	(19,284)	(1,319,473)	(1,050,685)
Excess of income over expenditure		453,284	32,896	486,180	439,907
Technical reserve at the beginning of the year		83,465	3,748	87,213	69,786
Less: Technical reserve at end of the year		(88,713)	(5,343)	(94,056)	(87,213)
Movement in technical reserves		(5,248)	(1,595)	(6,843)	(17,427)
Surplus for the year		448,036	31,301	479,337	422,480
Movement in technical reserves		5,248	1,595	6,843	17,427
Surplus transferred to Shareholders' Fund		(300,000)	-	(300,000)	(125,000)
Refund of Qard-e-Hasna to PTF		-	-	-	22,500
Balance of Operator's Sub Fund at the beginning of the year		747,696	61,824	809,520	472,114
Balance of Operator's Sub Fund at end of the year		900,980	94,720	995,700	809,521
Represented by:					
Capital contributed by shareholders' fund		-	10,000	10,000	10,000
Capital contributed to group family takaful		-	(10,000)	(10,000)	(10,000)
Surplus transferred to shareholders' fund		(300,000)	-	(300,000)	(125,000)
Technical reserve at end of the period		88,713	5,343	94,056	87,213
Retained earnings on other than participating business		1,112,267	89,377	1,201,644	847,308
Balance of Operator's Sub Fund		900,980	94,720	995,700	809,521

	Note	Statutory funds		Aggregated	
		Individual Family Takaful	Group Family Takaful	2025	2024
----- (Rupees in '000) -----					
27.2.2 Participants' Takaful Fund (PTF)					
Income					
Allocated contribution		32,546	300,884	333,430	148,040
Tabarru income		219,212	-	219,212	211,221
Retakaful ceded		(52,838)	(206,108)	(258,946)	(110,783)
Total contribution income net of retakaful		198,920	94,776	293,696	248,478
Investment income		19,050	31,474	50,524	92,845
Total income		217,970	126,250	344,220	341,323
Expenditure					
Participants' Takaful fund management charges	27.2.1	(87,719)	-	(87,719)	(85,544)
Mudarib fee	27.2.1	(5,715)	(9,442)	(15,157)	(43,319)
Expenses		(351)	(82)	(433)	(1)
Surplus transferred to PIF	27.2.3	(73,015)	-	(73,015)	(62,468)
Death claim expense net of retakaful recoveries		(49,063)	(48,950)	(98,013)	(110,208)
		(215,863)	(58,474)	(274,337)	(301,540)
Excess of income over expenditure		2,107	67,776	69,883	39,783
Technical reserve at the beginning of the year		292,681	136,318	428,999	389,216
(Less): technical reserve at end of the year		(109,372)	(32,818)	(142,190)	(130,331)
(Less): surplus retained in technical reserves		(185,416)	(171,276)	(356,692)	(298,668)
Movement in technical reserve		(2,107)	(67,776)	(69,883)	(39,783)
Surplus for the year		-	-	-	-
Movement in technical reserve		2,107	67,776	69,883	39,783
Qard-e-Hasna refund by PTF		-	-	-	(22,500)
Balance of Participants' Takaful Fund at beginning of the year		293,181	171,948	465,129	447,846
Balance of Participants' Takaful Fund at end of the year		295,288	239,724	535,012	465,129
Represented by:					
Money ceded to Waqf Funds		500	-	500	500
Capital contribution by OSF		-	35,630	35,630	35,630
Participants' liabilities		294,788	204,094	498,882	428,999
Balance of statutory fund		295,288	239,724	535,012	465,129

	Note	Statutory funds		Aggregated	
		Individual Family Takaful	Group Family Takaful	2025	2024
----- (Rupees in '000) -----					
27.2.3 Participants' Investment Fund (PIF)					
Income					
Allocated contribution		4,612,929	-	4,612,929	3,209,398
Bonus allocation from OSF	27.2.1	64,517	-	64,517	48,237
Surplus distribution from PTF	27.2.2	73,015	-	73,015	62,468
Investment income		2,562,208	-	2,562,208	3,390,008
Total net income		7,312,669	-	7,312,669	6,710,111
Less: claims expense					
Surrender - regular		(2,422,295)	-	(2,422,295)	(1,905,389)
Surrender - top up		(253,659)	-	(253,659)	(206,033)
Maturity		(236,596)	-	(236,596)	(340,806)
Death claim		(54,350)	-	(54,350)	(43,688)
		(2,966,900)	-	(2,966,900)	(2,495,916)
Expenditures					
Tabarru charges		(218,635)	-	(218,635)	(211,030)
Tharawat fee	27.2.1	(289,511)	-	(289,511)	(223,479)
Administration charges	27.2.1	(45,286)	-	(45,286)	(40,623)
Other expenses		(2,118)	-	(2,118)	(1,535)
Bank charges		(906)	-	(906)	(1,441)
		(556,456)	-	(556,456)	(478,108)
Excess of income over expenditures		3,789,313	-	3,789,313	3,736,087
Technical reserve at the beginning of the year		15,089,924	-	15,089,924	11,353,837
Less: technical reserve at the end of the year		(18,879,237)	-	(18,879,237)	15,089,924
Movement in technical reserve		(3,789,313)	-	(3,789,313)	3,736,087
Surplus for the year		-	-	-	-
Movement in technical reserve		3,789,313	-	3,789,313	3,736,087
Balance of Participants' Investment Fund at beginning of the year		15,089,924	-	15,089,924	11,353,837
Balance of Participants' Investment Fund at end of the year		18,879,237	-	18,879,237	15,089,924
Represented by:					
Balance of statutory fund		18,879,237	-	18,879,237	15,089,924

**27.3 Segmental results by line of business
For the year ended December 31, 2025**

	Individual life distributed through banks	Other lines of business	Total
	(Rupees in 000)		
Income			
Gross Contribution			
- First year individual regular contribution	1,173,147	516,146	1,689,293
- Individual renewal contribution	1,789,450	891,789	2,681,239
- Individual single contribution	1,051,137	342,276	1,393,413
- Group contribution	-	332,624	332,624
Total gross contribution	4,013,734	2,082,835	6,096,569
Retakaful contribution			
- Individual	(32,266)	(20,572)	(52,838)
- Group	-	(206,108)	(206,108)
Total ratakaful contribution	(32,266)	(226,680)	(258,946)
Net contribution revenue	3,981,468	1,856,155	5,837,623
Net investment income	2,250,170	644,850	2,895,020
Total Income	6,231,638	2,501,005	8,732,643
Takaful benefits and expenditures			
Takaful benefits net of retakaful	(2,603,855)	(458,936)	(3,062,791)
Management expenses less recoveries	(566,956)	(757,520)	(1,324,476)
Total takaful benefits and expenditures	(3,170,811)	(1,216,456)	(4,387,267)
Excess of income over takaful benefits and expenditures	3,060,827	1,284,549	4,345,376
Add: Participants' liabilities at beginning of year	12,916,344	2,689,792	15,606,136
Less: Participants' liabilities at end of year	(15,565,518)	(3,906,657)	(19,472,175)
Surplus for the year	411,653	67,684	479,337

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

	Individual life distributed through banks	Other lines of business	Total
	(Rupees in 000)		
Income			
Gross contribution			
- First year individual regular premiums	511,569	563,519	1,075,088
- Individual renewal contribution	1,954,741	719,429	2,674,170
- Individual single contribution	167,800	197,545	365,345
- Group contribution	(32)	144,310	144,278
Total gross contribution	2,634,078	1,624,803	4,258,881
Retakaful contribution			
- Individual	(29,256)	(19,865)	(49,121)
- Group	-	(61,662)	(61,662)
Total retakaful contribution	(29,256)	(81,527)	(110,783)
Net contribution revenue	2,604,822	1,543,276	4,148,098
Net investment income	3,260,328	466,946	3,727,274
Total Income	5,865,150	2,010,222	7,875,372
Takaful benefits and expenditures			
Takaful benefits net of retakaful	(2,332,754)	(275,920)	(2,608,674)
Management expenses less recoveries	(302,496)	(748,425)	(1,050,921)
Total takaful benefits and expenditures	(2,635,250)	(1,024,345)	(3,659,595)
Excess of income over takaful benefits and expenditures	3,229,900	985,877	4,215,777
Add: Participants' liabilities at beginning of year	10,234,644	1,578,195	11,812,839
Less: Participants' liabilities at end of year	(12,918,539)	(2,687,597)	(15,606,136)
Surplus / (deficit) for the year	546,005	(123,525)	422,480

28. MOVEMENT IN INVESTMENTS

	Held to Maturity	Available for sale	Fair value through profit or loss	Total
	----- (Rupees in '000) -----			
As at January 1, 2024	75,000	-	9,717,365	9,792,365
Additions	-	-	11,628,104	11,628,104
Disposals (sale and redemptions)	(75,000)	-	(8,256,050)	(8,331,050)
Fair value net gains (excluding net realised gains / losses)	-	-	873,837	873,837
As at December 31, 2024	-	-	13,963,256	13,963,256
Additions	-	-	24,108,736	24,108,736
Disposals (sale and redemptions)	-	-	(21,090,826)	(21,090,826)
Fair value net gains (excluding net realised gains / losses)			723,799	723,799
As at December 31, 2025	-	-	17,704,965	17,704,965

29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**29.1 Financial risk management objectives and policies**

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

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

29.1.1 Market risk

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

29.1.2 Foreign currency risk

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

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

29.1.3 Other price risk

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

29.1.4 Equity price risk

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

Sensitivity Analysis

In case of 1% increase / (decrease) in PSX 100 index as at December 31, 2025 with all other variables held constant, the profit and loss and other comprehensive income / (loss) would have been increase / (decrease) by Rs. 23.23 million (2024: 51 million) as result of gain/(losses) on equity securities. The analysis is based on the assumption that the equity index had increased / (decreased) by 1% with all other variables held constant and represents management's best estimate of a reasonable possible shift in PSX 100 index, having regard to the historical volatility of the index.

29.1.5 Profit rate risk

Profit rate sensitivity measures the degree with which a fixed-income asset price moves with changes in profit rates. Profit rates and fixed-income asset prices are inversely correlated. More interest rate sensitivity means an asset's price fluctuates more with a change in profit rates.

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

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

An increase in 100 basis points in profit yield would result in a loss of Rs. 121.72 million (2024: Rs. 88.643 million).

A decrease in 100 basis points in profit yield would result in a gain of Rs. 121.72 million (2024: Rs. 88.643 million).

29.1.6 Liquidity risk

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

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

29.1.7 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

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

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

	2025	2024
	------(Rupees in '000)-----	
Debt securities	2,394,203	262,332
Open-ended mutual funds	3,209,739	3,585,453
Takaful / retakaful receivables	64,067	15,804
Accrued income on investments and others	206,059	217,578
Cash at bank	2,914,368	2,604,748
	8,788,436	6,685,915

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

	2025	2024
	------(Rupees in '000)-----	
<u>Ratings of Banks*</u>		
A	2,736,256	2,332,558
A+	41,471	29,290
AA	3,800	6,484
AA-	1,300	2,705
AA+	15,568	103,999
AAA	115,973	129,712
	2,914,368	2,604,748

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

The credit quality of Operator's exposure on corporate sukuku can be assessed with reference to rating issued by rating agency as follows:

		2025	2024
		------(Rupees in '000)-----	
Issuer of corporate sukuku **	Rating		
Dubai Islamic Bank Pakistan Limited Sukuk	AA-	22,176	22,044
Meezan Bank Limited Sukuk	AAA	63,915	62,649
Zarai Tarikiati Bank Ltd.	AAA	783,828	-
Askari Bank Limited	AA+	523,834	50,410
United Bank Limited	AAA	1,000,450	-
Pakistan Energy SUKUK II	Sovereign	-	127,229
		2,394,203	262,332

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

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

29.1.8 Retakaful risk

In order to minimize the financial exposure arising from large claims, the Operator, in the normal course of business, enters into agreement with other retakaful operators.

Retakaful contribution ceded does not relieve the Operator from its obligation to the policyholders and as a result, the Operator remains liable for the portion of outstanding claims insured through retakaful, to the extent that reinsurer fails to meet the obligation under the retakaful agreements.

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

29.1.9 Profit rate risk exposure

Profit rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market profit rates. The Operator invests in securities and has bank balances and deposits that are subject to profit rate risk. The Operator limits profit rate risk by monitoring changes in profit rates in the currencies in which its cash and investments are denominated.

The information about Operator's exposure to profit rate risk based on contractual repricing or maturity dates as of December 31, 2025, whichever is earlier, is as follows:

On balance sheet financial instruments	2025						Total
	Profit bearing			Non profit bearing			
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
	(Rupees in '000)						
Assets							
Investments	7,072,416	5,099,764	12,172,180	5,532,785	-	5,532,785	17,704,965
Takaful / retakaful receivables	-	-	-	64,067	-	64,067	64,067
Accrued income on investments and others	-	-	-	206,059	-	206,059	206,059
Cash at bank	2,750,220	-	2,750,220	164,148	-	164,148	2,914,368
	9,822,636	5,099,764	14,922,400	5,967,059	-	5,967,059	20,889,459
Liabilities							
Lease liabilities	64,812	-	64,812	-	-	-	64,812
Takaful liabilities (reported outstanding claims)	-	-	-	335,656	-	335,656	335,656
Takaful / retakaful payables	-	-	-	40,095	-	40,095	40,095
Other creditors and accruals	-	-	-	165,605	-	165,605	165,605
	64,812	-	64,812	541,356	-	541,356	606,168
	9,757,824	5,099,764	14,857,588	5,425,703	-	5,425,703	20,283,291
	2024						
On balance sheet financial instruments	Profit bearing			Non profit bearing			Total
	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	Maturity up to 1 Year	Maturity after 1 Year	Sub Total	
	(Rupees in '000)						
Assets							
Investments	2,975,546	5,888,786	8,864,332	5,098,924	-	5,098,924	13,963,256
Takaful / retakaful receivables	-	-	-	24,557	-	24,557	24,557
Loans and other receivables	-	-	-	217,578	-	217,578	217,578
Cash at bank	2,449,061	-	2,449,061	155,687	-	155,687	2,604,748
	5,424,607	5,888,786	11,313,393	5,496,746	-	5,496,746	16,810,139
Liabilities							
Lease Liabilities	71,661	-	71,661	-	-	-	71,661
Takaful liabilities (reported outstanding claims)	-	-	-	303,813	-	303,813	303,813
Retakaful payables	-	-	-	8,753	-	8,753	8,753
Other creditors and accruals	-	-	-	177,068	-	177,068	177,068
	71,661	-	71,661	489,634	-	489,634	561,295
	5,352,946	5,888,786	11,241,732	5,007,112	-	5,007,112	16,248,844

30. TAKAFUL RISK

30.1 Individual Family Takaful Unit Linked Business

The risk covered is mainly death and sometimes disability and / or critical illness. The risk of death and disability will vary from region to region. The PTF may get exposed to poor risks due to unexpected experience in terms of claim severity or frequency. This can be a result of anti-selection, fraudulent claims, a catastrophe or poor persistency. The PTF may also face the risk of poor investment return, and liquidity issues on monies invested in the fund. The PTF faces the risk of inadequacy of the Mortality Charge (Takaful Contribution) particularly due to the fact that these contracts are long term. Additionally, the risk of poor persistency can lead to an impact on the size of the PTF. A larger PTF may allow for a greater degree of cross subsidization of Mortality Risk, increasing the probability of convergence between actual and expected Mortality experience.

The Operators manages these risks through its underwriting, retakaful, claims handling policy and other related controls. The Operators has a well defined medical under-writing policy and avoids issuing cover to high risk individuals. This puts a check on anti selection. The need for profit testing is reviewed on an annual basis to ensure reasonableness of contribution charged for risk underwritten by the PTF. Retakaful contracts have been purchased by the Operators to limit the maximum exposure on any one participant. The Operators has a good spread of business throughout the country thereby ensuring diversification of geographical risks. To avoid poor persistency, the Operators applies quality controls on the standard of service provided to Participants of the PTF and has placed checks to curb mis-selling and improvement in the standard of customer service. For this, a regular branch wise monitoring of lapsation rates is conducted. On the claims handling side, the Operators has procedures in place to ensure that payment of any fraudulent claims is avoided. For this, a Claims Committee with variable materiality limits review all claims for verification and specific and detailed investigation of all apparently doubtful claims (particularly of high amounts) is conducted. The Operators maintains adequate liquidity in each unit fund to cater for potentially sudden and high cash requirement. Further, all payments on account of claims are made after necessary approval of relevant authority as per policy of the Operators. The Operators reserves the right to review the Takaful Contributions deductible under the contracts, thus limiting the risk of under pricing.

Frequency and severity of claims

The Operators measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

However, undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Operators charges for mortality risk on a monthly basis for all Takaful contracts. It has the right to alter these charges based on its mortality experience and hence minimises its exposure to mortality risk. Delays in implementing increases in charges and market or regulatory restraints over the extent of the increases may hinder its mitigating effect. The Operators manages these risks through its underwriting strategy and retakaful arrangements.

The table below presents the concentration of covered benefits across five bands of covered benefits per participant. The benefit covered figures are shown gross and net of the retakaful contracts described above.

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

Benefits covered per life	Sum assured at the end of December 2025			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-200,000	1,408,000	3.23%	1,403,318	5.61%
200,001 - 400,000	3,670,376	8.41%	3,661,202	14.65%
400,001 - 800,000	7,631,173	17.49%	7,170,277	28.69%
800,001 - 1,000,000	4,776,007	10.95%	3,455,957	13.83%
More than 1,000,000	26,146,370	59.92%	9,303,350	37.22%
Total	43,631,926		24,994,104	

Benefits covered per life	Sum assured at the end of December 2024			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-200,000	1,437,350	3.50%	1,431,011	5.88%
200,001 - 400,000	3,636,377	8.85%	3,624,825	14.91%
400,001 - 800,000	7,252,454	17.65%	6,764,273	27.81%
800,001 - 1,000,000	4,284,593	10.43%	3,188,438	13.11%
More than 1,000,000	24,487,486	59.58%	9,310,683	38.29%
Total	41,098,260		24,319,230	

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

Uncertainty in the estimation of future benefit payments and contribution receipts for long-term unit linked takaful contracts arises from the unpredictability of long-term changes in overall levels of mortality and variability in participant's behaviour.

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

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

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

c) Process used to decide on assumptions

For long-term unit linked takaful contracts, assumptions are made in two stages. At inception of the contract, the Operator determines assumptions on future mortality, persistency, administrative expenses and investment returns. At regular intervals, profit testing is conducted on main policies. Assumptions used for profit testing of the main policies are as follows:

Mortality: The Operator assumes the expected mortality to be 80% of SLIC (2001-05)

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

Expense levels and inflation: A periodic study is conducted on the Operators's current business expenses and future projections to calculate per policy expenses. Expense inflation is assumed in line with assumed investment return.

Investment returns: The investment returns are based on the historic performance of the assets and asset types underlying the fund.

d) Changes in assumptions

There are no changes in assumptions.

e) Sensitivity analysis

After retakaful, the overall liability for individual life takaful business stands at less than 1% of the total policyholder liability held in respect of individual life business. Due to its immateriality, sensitivity analysis has not been conducted.

30.2 Group Life Family Takaful

The main risk exposure of the PTF is mortality risk. The PTF may be exposed to the risk of unexpected claim severity or frequency. This can be a result of writing business with higher than expected mortality, writing high cover amounts without adequate underwriting, difficulty of verification of claims, fraudulent claims or a catastrophe. The PTF also faces risk such as that of under-pricing to acquire business in a competitive environment and of non-receipt of takaful contributions in due time. There also exists a potential risk of asset liability term mismatch due to liabilities being very short term in nature.

The Operator manages these risks through underwriting, retakaful, effective claims handling and other related controls. The Operator has a well defined medical under-writing policy and avoids writing business for groups with overly hazardous exposure. Pricing is done using the retakaful rates. The contribution charged takes into account the actual experience of the client and the nature of mortality exposure the group faces. The rates are certified by the appointed actuary for large groups. The Operator also maintains an MIS to track the adequacy of the takaful contribution charged. Retakaful contracts have been purchased by the Operator to limit the maximum mortality exposure of any one covered person. The Operator ensures writing business with good geographical spread and tries to maintain a controlled exposure to large groups which generally have poor experience. Writing business of known hazardous groups is also avoided. On the claims handling side, the Operator ensures that payment of any fraudulent claims is avoided. Strict monitoring is in place in order to keep the outstanding balances of contribution at a minimum, especially the ones that are due for more than 90 days. The bulk of the assets held against liabilities of this line of business are cash to money market with short durations and high liquidity, thus mitigating the risk of asset value deterioration and liability mismatch.

Frequency and severity of claims

The Operator measures concentration of risk by geographical area. Concentration of risk is not currently a factor of concern as the business is developing and aims to achieve a spread of risks across various parts of the country.

The table below presents the concentration of covered benefits across five bands of covered benefits per participant. The benefit covered figures are shown gross and net of the retakaful contracts described above.

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

Benefits covered per Participant	Sum assured at the end of December 2025			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-500,000	34,695,641	8.54%	34,259,524	21.45%
500,001-1,000,000	51,212,092	12.61%	39,379,389	24.66%
1,000,001-1,500,000	27,184,556	6.69%	16,538,119	10.36%
1,500,001-2,000,000	19,512,781	4.80%	9,446,871	5.92%
More than 2,000,000	273,576,747	67.35%	60,073,222	37.62%
Total	406,181,817		159,697,125	

Benefits covered per Participant	Sum assured at the end of December 2024			
	Total benefits covered			
	Before retakaful		After retakaful	
Rupees	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
0-500,000	20,535,779	17.50%	19,764,720	34.24%
500,001-1,000,000	29,973,832	25.54%	21,397,329	37.07%
1,000,001-1,500,000	9,336,854	7.96%	4,568,500	7.91%
1,500,001-2,000,000	6,135,219	5.23%	2,072,500	3.59%
More than 2,000,000	51,374,866	43.78%	9,925,500	17.19%
Total	117,356,550		57,728,549	

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

Other than conducting a liability adequacy for Unexpired Risk Reserves (URR), there is no need to estimate mortality for future years because of the short duration of the contracts.

b) Process used to decide on assumptions

The business is too new for any meaningful investigation into the group's past experience. However, industry experience, the insured group's own past experience and retakaful risk rates are used to determine the expected level of risk in relation to the SLIC (2001-05) Individual Life Ultimate Mortality Table.

c) Changes in assumptions

There are no changes in assumptions.

d) Sensitivity analysis

The table below shows the level of respective variation in liabilities for change in each assumption while holding all other assumptions constant.

Variables	Change in Variable	Increase in liability 2025 (Rupees in '000)
Worsening of mortality rates for risk policies	+10% pa	1,426
Increase in reporting lag	+10% pa	1,426

30.3 Liability Adequacy Test

Liability adequacy test is applied to all long term contracts. Liability adequacy test is carried out using current best estimates of assumptions and future net cash flows, including premiums receivable, benefits payable and investment income from related assets.

To determine the adequacy of liabilities, assumptions must be based on realistic best estimates. We have compared our valuation mortality assumption (SLIC mortality table) with the mortality of developing Asian countries, namely: India and Malaysia. The comparison suggests that the best estimate assumption is better than the experience reflected in SLIC mortality table.

The investment return assumed for valuation is 3.75% per annum. This rate is prescribed by law. We have valued our liabilities based on the 10-Year PIB rate of 11.6650% to determine adequacy.

The table below compares total participant liabilities Individual Family Takaful Unit Linked Business under existing valuation basis with participant liabilities calculated using best estimate assumptions:

Assumptions	Participant liabilities on existing valuation basis	Participant liabilities using best estimate assumptions (Rupees in '000)
Mortality	19,077,322	19,060,144
Investment Returns	19,077,322	19,077,033

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised.

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

The Operator measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	As at December 31, 2025								
	Carrying value				Fair value				
	Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000') -----									
Financial assets measured at fair value									
- Investments									
Government Securities (Sukuks)	-	9,777,977	-	-	9,777,977	-	9,777,977	-	9,777,977
Equity securities	-	2,323,046	-	-	2,323,046	2,323,046	-	-	2,323,046
Open-ended mutual funds	-	3,209,739	-	-	3,209,739	3,209,739	-	-	3,209,739
Debt securities (Corporate sukuks / Bai' muajjal)	-	2,394,203	-	-	2,394,203	-	2,394,203	-	2,394,203
Financial assets not measured at fair value									
- Balances with banks	-	-	2,914,368	-	2,914,368				
- Takaful / retakaful receivables	-	-	64,067	-	64,067				
- Accrued income on investments and others	-	-	206,059	-	206,059				
	-	17,704,965	3,184,494	-	20,889,459				
Financial Liabilities measured at fair value									
- Takaful liabilities (reported outstanding claims)	-	-	-	335,656	335,656	-	335,656	-	335,656
Financial liabilities not measured at fair value									
- Takaful / retakaful payables	-	-	-	40,095	40,095				
- Other creditors and accruals	-	-	-	165,605	165,605				
	-	-	-	541,356	541,356				

On balance sheet financial instruments

	As at December 31, 2024								
	Carrying value				Fair value				
	Available for Sale	Fair value through profit or loss	Loans and Receivables	Financial liabilities	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----								
Financial assets measured at fair value									
- Investments									
Government Securities (Sukuks)	-	8,602,000	-	-	8,602,000	-	8,602,000	-	8,602,000
Equity securities	-	1,513,471	-	-	1,513,471	1,513,471	-	-	1,513,471
- Open-ended mutual funds	-	3,585,453	-	-	3,585,453	3,585,453	-	-	3,585,453
Debt securities (Corporate sukuks)	-	262,332	-	-	262,332	-	262,332	-	262,332
Financial assets not measured at fair value									
- Balances with banks	-	-	2,604,748	-	2,604,748				
- Takaful / retakaful receivables	-	-	24,557	-	24,557				
- Accrued income on investments and others	-	-	217,578	-	217,578				
	-	13,963,256	2,846,883	-	16,810,139				
Financial Liabilities measured at fair value									
- Takaful liabilities (reported outstanding claims)	-	-	-	303,813	303,813	-	303,813	-	303,813
Financial liabilities not measured at fair value									
- Takaful / retakaful payables	-	-	-	8,753	8,753				
- Other creditors and accruals	-	-	-	177,068	177,068				
	-	-	-	489,634	489,634				

32. Statement of Solvency

Particulars	2025	
	Individual Family Takaful Unit Linked Business	Group Family Takaful Business
	------(Rupees in '000)-----	
Assets		
Rights of use assets	74,665	-
Investments		
Equity securities	5,383,111	149,673
Government sukuku	9,670,085	301,536
Debt securities	2,394,203	-
(Insurance / takaful) / (reinsurance / retakaful) receivables	742	33,496
Other loans and receivables	197,327	-
Taxation - payments less provision	190,836	-
Cash and Bank	2,830,834	90,290
Total Assets (A)	20,741,803	574,995
Inadmissible assets as per following clauses of section 32 (2) of Insurance Ordinance, 2000		
- Loan to employees	(3,248)	-
- Excess of lease assets from corresponding liability	(9,853)	-
- Contribution more than 90 days	-	(69)
Total of in-admissible assets (B)	(13,101)	(69)
Total admissible assets (C = A-B)	20,728,702	574,926
Total liabilities		
Takaful liabilities net of retakaful recoveries	271,222	10,854
Retirement benefit obligations	5,827	-
Liability against lease	64,812	-
Contribution received in advance	138,297	1,446
Takaful / retakaful payables	19,896	43,950
Other creditors and accruals	165,591	184,399
Total liabilities (D)	665,645	240,649
Total net admissible assets (E = C-D)	20,063,057	334,277

	2025	
	Individual Family Takaful Unit Linked Business	Group Family Takaful Business
	------(Rupees in '000)-----	
Minimum solvency requirement		
Policyholders liability	(19,262,738)	(209,437)
Solvency Margin	(208,127)	(53,314)
	(19,470,865)	(262,751)
Excess in net admissible assets over minimum requirements	592,192	71,524

33. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. There were no material reclassifications during the year other than the following:

Reclassification from:	Reclassification to:	Rupees in '000
Retakaful payables	Takaful / retakaful receivables	8,753

34. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Operator in their meeting held on February 17, 2026.



Umer Mansha
Chairman



Muhammad Ali Zeb
Director



Ismail Arif Rafi
Director



Manzar Mushtaq
Chief Executive Officer



Jalal Meghani
Chief Financial Officer

Other Information





Branch Network

Head Office			
CITY	ADDRESS	Google Pin	CONTACT DETAILS
KARACHI	3rd and 4th Floor, Adamjee House, I.I Chundigarh Road, Karachi	24.8492620,67.0001870	Tel # 021-38677100 Fax # 021-38630011
LAHORE	4th floor, TAMC, Plot No. 27-C-3, M. M. Alam Road, Gulberg-III, Lahore	31.5041139,74.3489671	042-38003000
REGISTERED OFFICE			
CITY	ADDRESS	Google Pin	CONTACT DETAILS
ISLAMABAD	Office No. 505, Islamabad Stock Exchange, 5th Floor, Islamabad Tower, Blue Area, Islamabad	33.711900,73.057800	051-8094670
Bancassurance Offices			
CITY	ADDRESS	Google Pin	CONTACT DETAILS
HYDERABAD	Dawood Centre, Office No. 207, 7th Floor, Plot No. A/20, Autobhan Road, Hyderabad	25.3763020,68.3384770	022-8339900
MULTAN	Office # 1 to 4 3rd Floor, United Mall Plot # 74, Abdali road Multan	30.1939150,71.4514190	061-8021650
LAHORE	4th floor Plot No. 27-C-3, M. M. Alam Road, Gulberg-III, Lahore	31.5041139,74.3489671	04238003000
FAISALABAD	Office no.2 6th floor,Meezan Executive Tower,Plot no.4-Liaquat Road, Faisalabad	31.4242830,73.0770250	041-5000004
ISLAMABAD	Office No. 505, Islamabad Stock Exchange, 5th Floor, Islamabad Tower, Blue Area, Islamabad	33.711900,73.057800	051-8094684
PESHAWAR	Office No.174-175, 3rd Floor, Deans Trade Centre, Islamia Road, Peshawar Cantt., Peshawar	34.001118,71.545492	091-70100002
AGENCY DISTRIBUTION OFFICES - CONVENTIONAL			
CITY	ADDRESS	Google Pin	CONTACT DETAILS
KARACHI	Office # 101- 102, 1st Floor, Faiyaz Centre, Main Shahrahe Faisal Karachi	24.859989,67.0535500	021-38782700
LAHORE	Plot No 21, Block "L", Johar Town, Lahore	31.46890,74.26937	042-38104800
LAHORE	Plot # 31C, 2nd floor Cavalry Ground Lahore Cant, Lahore	31.50710105124455, 74.3639359022416	042-37250224
LAHORE	2nd Floor, 148-01 B/2, Township Quaid-e-Azam Town, Lahore	31.46863,74.26941 31.362707, 74.182846	042-38003200
LAHORE	1st floor, 87-E Nishtar commercial Bahria Town Lahore.		0330-4000445
FAISALABAD	2nd Floor, Faisal Complex Opposite Pizza hut, Bilal Road, Civil lines, Faisalabad	31.432910,73.079796 30.805519,73.437904	041-5270269
OKARA	1st floor, Irfan Plaza, M.A Jinnah Road, Okara.		044-2511018
SANGLA HILLS	Old Kachery Road, Near Madina Chowk, Model Town, Sangla Hill	31.71748,73.37890	048-3767917
SHEIKHPURA	Opposite Fruit and Sabzi Mandi, Near Butt Karahi, Lahore Road, Sheikhpura.	31.708854, 74.004800	056-3792029
JHELMUM	Mohallah Mujahida Abad Near Food Goddam Gate, GT Road, Jehlum.	32.944606,73.713369	0544-274253
GUJRANWALA	1st Floor, Noble Plaza, Above Glodfin Bank, Shaheenabad, Gt Road, opposite Khidmat e Markez, Gujranwala.	32.193428, 74.178752	0300-5038013
JHANG	Khewat-No. 71, Khtooni-No. 210, Church Road, Upper hall, Orix leasing, Jhang	31.26786, 72.32013	047-7622264

AGENCY DISTRIBUTION OFFICES - CONVENTIONAL			
CITY	ADDRESS	Google Pin	CONTACT DETAILS
MULTAN	1st Floor, Orient Mall Opposite City College, Khanywal Road Multan .	30.2100148,71.5081474	0314-6121111
BAHAWALPUR	First Floor, Abbasi Manzil, Girls School Road, Near University Chowk, Bahawalpur	29.3976080,71.6941160	062-30000002
LAYYAH	Plot No.1, Street No. A, Block No. Z, Rohani Plaza, Opposite Post Graduate Degree College, Layyah	30.974050,70.957560	060-6200002
BAHAWALNAGAR	First Floor, Auto Zone Workshop, Opposite Boys Degree College, Bhawalnagar	29.994865,73266530	063-8001000
SAHIWAL	Five Way Chowk, Liaquat Pur Road, Sahiwal	30.663704,73.099682	040-8009000
VEHARI	1st Floor, Owais City Centre, Car Khana Bazar, near Faisal Bank Vehari.	30.040254,72.349452	067-3365455
BUREWALA	Plot No 6,First Floor, Near Al-Riaya Pharmacy opposite The Bank of Punjab,Afaq Khan Chowk Burewala City	30.155902, 72.672310	+92 301 4457668
DUNYA PUR	Plot No 0244, Block No, DV-291/1, Dokotta Chowk near Al-Jannat masjid Link Road Super Highway Road, Dunyapur	31.614405, 71.078971	0608-304545
MUZAFARGARH	Jhang Road Near Railway Phatk, Muzafargarh	30.083578,71.186580	066-8010002
D.G KHAN	Ground Floor, Punjab Plaza 1122 Office Chowk Churhatta DG Khan	30.0680625,70.6467031	064-2407558
BHAKKAR	Shop no, 2617, ward No. 12, Kinal road near khachari, Pul Bhakkar city	31.6141970,71.0787440	0453-514112
KOT ADDU	Opposite Gulshan e Usman Colony, Near Aba Seel, CNG Petrol Pump Kot Addu	30.453947,70.966570	066-2900175
KAROR LAL ESAN	Main Karor Laal Road Plaza Stop, Karor Lal Esan	31.217570,70.954025	0606-811750
KHANEWAL	Plot no.68/A, Street No,3, Block No,10, Bhatta Chok Near Rana ikram ul haq chock Khanewal	30.295957,71.918999	065-2553306
SARGODHA	1st Floor, Office No. 04, Qureshi Arcade, Khushab Road, Sargodha	32.090454,72.657661	048-3767917
JAMPUR	House No.7, Ejaz Serwar colony, New Bus Adda, Indus Highway, Rajenpur Road, Jampur	29.623760,70.583044	0604-685772
FATEHPUR	Shop No 1, near farooq miner road, opposite zeri trakiati bank by pass road, Fatehpur.	31.187420, 71.207885	0606-840102
RAHIM YAR KHAN	Plot No. 06, opposite Lords Pharmacy Hospital Road Model Town Rahim Yar Khan City	28.420995, 70.314534	068-5906558
TAUNSA SHARIF	Faiz ul Hassnan chock, Near DSP office Mangritha Road Taunsa Sharif.	30.703120, 70.642137	064-2602929
ISLAMABAD	East Half of 3rd Floor , Ali Plaza Block No. 27-E, Fazal-e-Haq road, Blue Area, Islamabad	33.72396, 73.08468	051-8109995
ABBOTTABAD	Office no. 212 Etihad Building, 2nd Floor opposite Kashmir Mall, Main Mansehra Road, Abbottabad.	34.173278,73.226888	0992-331777
PESHAWAR	Plot-No. 38-D, 4th Floor, Afzal Tower, Main University Road Opposite PARCO Petrol Pump, Peshawar	33.998593,71.494125	091-7000090
CHITRAL	1st floor Nido milk plaza, Bypass road Chitral, KPK.	35.857511,71.786233	0943-412731
SKARDU	2nd Floor, GM Plaza, Almdar Chowk, Skardu	35.289477,75.634855	5815551099
MIAN CHANNU	Plot No 348/16, Amin Trade center, Near Soneri Bank Main GT Road, Mian Channu.	30.436913, 72.349939	0300-6890886

AGENCY DISTRIBUTION OFFICE - TAKAFUL			
CITY	ADDRESS	Google Pin	CONTACT DETAILS
HYDERABAD	Block D - 204, Unit No. 07, Mezzanine Floor, Opposite American Hospital, Latifabad, Hyderabad	25.372740,68.355306	022-3810184
MIRPURKHAS	Flat No. 716, Near Kaly Khan Pump, Above Faysal Bank, Mirpurkhas	25.52804, 69.01832	0233-823260
HALA	1st Floor, MCB Bank Building, Dargah road, Hala	25.81520, 68.42529	022-3331180
NAWABSHAH	Above 1st step shoes Shop, 1st Floor, Near Edhi Chowk, Masjid Road, Nawabshah.	26.243187794620727, 68.40776011368052	0244-362432
SUKKUR	Office Mezzanine Floor B, Chamber Plaza, Dua Chowk Near Chamber of Commerce, Bunder Road, Sukkur	27.691932,68.873221	071-5621003
SHAHDADPUR	1st Floor of Apna Microfinance Bank, Near Shahi Bazar, Station Road Shahdadpur	25.924333,68.622556	0235-844800
SAKRAND	Shop no. 1-2, Ground floor, opposite career point grammar school, Main Qazi Ahmed Road, Sakrand.	26.142153, 68.267917	0244-322698
GHOTKI	1st Floor, Qadirpur Road, Opposite LUMS Laboratories, Ghotki	28.012864,69.3215499	0723-680601
KHAIRPUR	Upper Story UBL bank, chatrri Chowk, Foujdari Road, Khairpur.	27.529348, 68.758053	024-3714426
TANDO ALLAHYAR	1st floor, Plot number 32, City survey number 274, Main Hyderabad road, Tando Allahyar	25.461937,68.713075	+92 333 2656126
LAHORE	4th floor, Compsi Plaza, Barkat Market, Garden Town, Lahore.	31.499274,74.321106	042 - 38003205
SIALKOT	1st Floor, Tanveer Tower, Gohdpur Road,Opposite Shadab law College,Sialkot.	32.5142661,74.5143858	052-4270141
KASUR	1st Floor, U Bank,Liaqat Road, Qadir Abad Chowk,Kasur.	30.8774641,73.5950671	049-2723836
FAISALABAD	Trippal A Plaza, Office No.1, First floor, Above Bank Al Habib Islamic Branch, Near Kia Motors, West Canal Road, Faisalabad.	31.431150, 73.120639	0334-1410140
ISLAMABAD	East Half of 3rd Floor , Ali Plaza Block No. 27-E, Fazal-e-Haq road, Blue Area, Islamabad	33.72396, 73.08468	051-8107400
PESHAWAR	Plot-No. 38-D, 4th Floor, Afzal Tower, Main University Road Opposite PARCO Petrol Pump, Peshawar	33.998593,71.494125	091-7000090
ABBOTTABAD	Office no. 211 Etihad Building, 2nd Floor opposite Kashmir Mall, Main Mansehra Road, Abbottabad.	34.173278,73.226888	0992-331778
SWAT	1st floor, shahi bagh plaza, Faizabad road, blue area, near PIA office, Saidu Sharif Swat.	34.754910, 72.355874	0946-713400
GUJAR KHAN	First floor above Mobilink Microfinance Bank, sheikh Abdul hafeez heights, near Muslim school service road, Gujar khan.	33.2589640,73.3012170	051-3517658
BATKHELA	Second Floor, Burj Al Azeem, Main Batkhela Road, Batkhela.	34.615821, 71.962791	0932-415586
TIMERGARA	Ground floor, Rahman Tower, Jail bypass road district Lower dir, Timergara, KPK.	34.815461,71.8347680	0945-821766
KHUIRATTA	Altaf Plaza, First floor, by pass road, Tehsil Khuiratta district,Kotli AJK.	33.334615,74.063429	0341-5713091
KOTLI	First Floor, Hafeez Plaza, Above Dubai Islamic Bank, Near PWD Rest House, Main Road, opposite Sarda View Hotel, Teh. & Distt. Kotli AJK."	33.519675,73.906398	0343-8828557
SANGHAR	Plot no. 950 First Floor Above MCB Islamic Bank, Near Faisal Mart Nawabshah Road district Sanghar.	26.044842, 68.945949	0333 2656126
KHWAZAKHELA	Plot number 269, first floor, Al Hilal Plaza, Matta Road KhwazaKhela Swat	34.940441, 72.465563	0347 9690103

Pattern of Shareholding

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
SHAIKH MUHAMMAD JAWED	1	262	0.00
UMER MANSHA	1	262	0.00
NAZ MANSHA	1	262	0.00
IMRAN MAQBOOL MALIK	1	262	0.00
MOHAMMAD ALI ZEB	1	262	0.00
ISMAIL ARIF RAFI	1	262	0.00
Associated Companies, undertakings and related parties	2	222,980,335	84.94
Executives	-	-	-
NIT and ICP	-	-	-
Banks, Development Finance Institutions, Non-Banking Finance Companies -	-	-	-
Insurance Companies	-	-	-
Modarabas and Mutual Funds	4	6,914,954	2.63
General Public			
a. Local	678	6,490,899	2.47
b. Foreign	32	42,984	0.02
Foreign Companies	-	-	-
OTHERS	13	26,069,256	9.93
Totals	735	262,500,000	100.00

Share holders holding 10% or more	Shares Held	Percentage
ADAMJEE INSURANCE COMPANY LIMITED	219,185,662	83.50

Notice of 17th Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting of the Shareholders of Adamjee Life Assurance Company Limited will be held on 27th April, 2026, at ICAP Auditorium, ICAP House, G-10/4, Mauve Area, Islamabad, at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. Confirm the minutes of 16th Annual General Meeting held on April 28, 2025;
2. Receive, consider and adopt the Audited Financial Statements for the year ended December 31, 2025 together with the Directors' and Auditors' reports thereon and Chairman's Review Report;
3. To appoint External Auditors for the year ending December 31, 2026 and fix their remuneration. The retiring auditors Riaz Ahmad & Co, Chartered Accountants have provided their consent and offered themselves for reappointment;
4. To approve payment of a Final Cash Dividend of Rs. 1.5 per share, i.e. 15% for the year ended December 31, 2025, as recommended by the Board of Directors, payable to shareholders appearing in register at close of business on April 20th, 2026, which is in addition to the 10% Interim Cash Dividend (i.e. Rs. 1 per share) already paid.
5. Transact any other business as may be placed before the meeting with the permission of the chair.

Karachi: April 06th, 2026

By Order of the Board
Company Secretary

Notes:

1. The Company has placed the Notice of General Meeting along with form of proxy on its website.
2. The Share Transfer Books of the Company shall remain closed from April 21, 2026 to April 27, 2026 (both days inclusive).
3. Physical transfers and deposit requests under Central Depository System received at the close of business on April 20, 2026 by the Company's Registrar i.e., CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal Karachi will be treated in time for the purpose of attending and voting at the meeting.
4. In relevance to the compliance of SECP notification no. S.R.O.452(1)/2025, the Company affirms that no gifts will be distributed at the meeting.

5. A member entitled to attend and vote at the Meeting may appoint another member as his/her proxy to attend and vote for him/her provided that a corporation being a member may appoint as its proxy a person who is not a member and is duly authorized by the corporation. The form of Proxies is enclosed. Proxy must be received at the Registered Office of the Company not later than 48 hours of the meeting.

6. Participation in the AGM through Video link:

In accordance with the Circular No.4 of 2021 of the SECP, the Company has also provided members the facility of attending the general meeting through video link.

The shareholders interested to participate through video link are requested to please provide below information at Email: cdcsr@cdcsrsl.com at the earliest but not later than close of business on April 24, 2026.

Name of the Shareholder	Company	CNIC Number	Folio Number	Cell Number	E-mail Address
	Adamjee Life Assurance Co.				

Please note that video link and login credentials will be shared with only those members / designated proxies whose e-mail and other required information are received in required time as mentioned above.

- a) Video-link for the meeting will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.
- b) Login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the meeting proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.
- c) Shareholders may send their comments and suggestions relating to the agenda items of the AGM at least two (2) working days before the meeting, at the given email address arслан.tahir@adamjeelife.com. Shareholders are requested to mention their full name, CNIC # and Folio/CDC Account # for this purpose.
7. The members who intend to attend and participate physically in the AGM of the Company will be allowed to participate as usual. The Company will follow the best practices and comply with all applicable laws for the benefit of all members wishing to participate in the meeting through any mode or medium.

8. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan through the issuance of circular:

A. For attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose registration detail are uploaded as per CDC Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of Meeting.

B. For appointing proxies:

- i) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the regulations shall submit the proxy form as per the above requirement.
- ii) Two persons whose names, addresses and CNIC numbers shall be mentioned on the form shall witness the proxy form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CINC or original passport at the time of the Meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

9. Dividend

Section 242 of the Act requires that the listed companies shall pay cash dividend only through electronic mode directly into the bank account designated by the shareholders. SECP vide its notification S.R.O.1145 (I)/2017 has also issued the Companies (Distribution of Dividends) Regulations, 2017 whereby every shareholder shall be responsible to provide valid information pertaining to its designated bank account to disburse any dividend payable in cash only through electronic mode directly into the bank account designated by the entitled shareholders.

The members are requested to provide duly filled in and signed e-dividend form available at the following link:

[<https://www.adamjeelife.com/en/about-us/investor-relations/notices-and-announcements>]

In case of shares held as book-entry securities, the said information would be required to be provided to Central Depository System (“CDS”), through CDS Participants.

10. Taxes

Different tax rates are prescribed under Section 150 of the Income Tax Ordinance, 2001 for deduction of withholding tax on the amount of dividend paid by the Companies. These tax rates are as under;

For filer of income tax returns:	15%
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For non-filers of income tax returns:	30%
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To enable the Company to make tax deductions of the amount of cash dividend @ 15% instead of 30%, all shareholders whose names are not entered into 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 the ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

10. Unclaimed Dividend:

Shareholders, who for any reason, could not claim their dividend, are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited, to collect/enquire about their unclaimed dividend, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividends outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of the Federal Government.

11. Availability of Audited Financial Statements on Company's Website

The Company has placed the Audited Annual Financial Statements for the year ended December 31, 2025 along with Auditor's and Director's Reports thereon on its website: www.adamjeelife.com

12. Transmission of Financial Statements to the Members through e-mail

Pursuant to Section 223(6) of the Companies Act, 2017, the Company is allowed to send Audited Financial Statements, Auditor's Report and Director's Report through e-mail to the members of the Company. Members desiring to avail this facility may provide the requisite information to the Company Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

Proxy Form

I/We _____
of _____
Being a member of Adamjee Life Assurance Company Limited hereby appoint
Mr. _____
of _____
or failing him _____
of _____

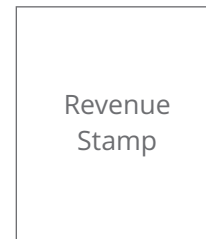
as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 17th Annual General Meeting of the Company to be held on Monday, April 27, 2026 at 11:00 a.m and at any adjournment thereof.

Signed this _____ day of _____ 2026.

Witnesses:

1. Signature: _____
Name: _____
Address: _____

CNIC Or
Passport No: _____



Signature of Member(s)

Witnesses:

2. Signature: _____
Name: _____
Address: _____

CNIC Or
Passport No: _____

Shareholder's Folio No. _____
and/or CDC
Participant I.D.No. _____

Important:

This form of Proxy, duly completed, must be deposited at the Company's Lahore Corporate Office at 4th Floor, TAMC Building, Firdous Market, Gulberg-III, Lahore, not later than 48 hours before the time appointed for the meeting.

پراسی/نمائندگی کا فارم

میں/ہم _____

از _____

آدم جی انشورنس کمپنی لمیٹڈ کے رکن کی حیثیت سے بذریعہ ہذا _____

جناب _____

از _____

کا تقرر _____

یا عدم تقرری _____

از _____

کر رہا ہوں/رہے ہیں میرے/ہمارے نمائندے کے طور پر، بروز پیر مورخہ 27 اپریل 2029 کو 11:00 بجے ہونے والی کمپنی کے 17 ویں سالانہ عمومی اجلاس اور التوا کی صورت میں کسی بھی آئندہ تاریخ کو ہونے والے اجلاس میں میری/ہماری طرف سے اور میری/ہماری غیر حاضری کی صورت میں شریک ہونے اور میری/ہماری طرف سے ووٹ دینے کے لئے۔

روز _____ مورخہ _____ 2026 کو دستخط کئے گئے۔

گواہان:

رسیدی ٹکٹ

رکن (ارکان) کے دستخط

شیر ہولڈر کا فوئیو نمبر: _____

اور/یا CDCG _____

شریک کا آئی ڈی نمبر: _____

1- دستخط: _____

نام: _____

پتہ: _____

CNIC یا پاسپورٹ نمبر: _____

1- دستخط: _____

نام: _____

پتہ: _____

CNIC یا پاسپورٹ نمبر: _____

اہم:

یہ نمائندگی کا فارم، پوری طرح مکمل کر کے، کمپنی کے مرکزی دفتر تیسری اور چوتھی منزل، آدم جی ہاؤس، آئی آئی چندریگر روڈ، کراچی میں اجلاس کے لئے مقررہ وقت سے کم از کم 48 گھنٹے پہلے لازماً جمع کروانا ہوگا۔



**Adamjee Life
Assurance Co. Ltd.**

Head Office: 3rd and 4th
Floor, Adamjee House,
I.I.Chundrigar Road,
Karachi - 74000.

+92 (21) 111-11-5433 +92
(21) 38677100, 37134900
+92 (21) 38630011

www.adamjeelife.com