

Directors' Report to the Shareholders

The Board of Directors of State Life Insurance Corporation of Pakistan is delighted to present the Audited Financial Statements for the year ended 31st December 2024 in its 52nd Annual Report.

1. Economic Overview

During the year under review, Pakistan's economy exhibited moderate signs of stabilization, with GDP growth recorded at 2.38%. Inflation, though still elevated, eased relative to the prior year, while improvements in foreign exchange reserves and a narrowing current account deficit contributed to a more stable macroeconomic environment. This relative stability was supported by a series of policy measures introduced by the Government and the State Bank of Pakistan (SBP), which helped drive a steady economic turnaround and maintain stability in the Pakistani Rupee.

The positive momentum extended to the capital markets, where the benchmark KSE-100 Index surged by 84% during the year, closing at 115,127 points. The rally was driven by renewed liquidity inflows, long-awaited market re-rating, and strong corporate earnings and dividend payouts. Reflecting broader economic trends, the insurance industry also registered growth in 2024.

Management continues to monitor economic conditions closely and remains committed to protecting the interests of policyholders and shareholders, ensuring resilience while pursuing sustainable growth.

2. Business Performance and Operating Results

Overall performance of the Corporation remained satisfactory. An overview of the performance of the Corporation for Financial Year (FY) 2024 as compared to last year is summarized below:

- 2.1. Total income increased to Rs. 631,986 million which was Rs. 525,696 million during 2023, an increase of 20.22%. This includes unrealized capital gains of Rs. 119,701 million (2023: Rs. 33,216 million).
- 2.2. Acquisition expenses were Rs. 32,437 million against Rs. 29,522 million in 2023, an increase of 9.87%. Marketing and administrative expenses amounted to Rs. 21,015 million and in 2023 was Rs. 18,792 million, showing an increase of 11.83%.
- 2.3. The overall management expense ratio to total premium income was 20.15% compared to 17.97% in the corresponding year 2023. Primarily due to decline in premium revenue from the Government Health Program.
- 2.4. Insurance benefits paid to policyholders were Rs. 228,328 million and in 2023 was Rs. 247,513 million, reflecting a 7.75% decrease.
- 2.5. Statutory Funds as at December 31, 2024, was Rs. 1,998,851 million, compared to Rs. 1,652,947 million in the same period last year, an increase of 20.93%, reflecting strong fund growth and a stable solvency position.

3. Business Portfolio-Wise Performance

3.1. Individual Life Business – Pakistan Operations:

First-year gross premium under Individual Life policies amounted to Rs. 29,156 million which was Rs. 25,701 million in the business year 2023, showing a growth of 13.44%. Additionally, the gross renewal premium increased to Rs. 123,462 million compared to Rs. 114,716 million in 2023, marking a rise of 7.62%.

3.2. Individual Life Business – Overseas Operations:

For overseas operations, first-year gross premium under Individual Life policies was Rs. 492 million (2023: Rs. 427 million), an increase of 15.22%. Renewal premium declined slightly to Rs. 3,151 million (2023: Rs. 3,203 million), a decrease of 1.62%, primarily due to the exchange rate fluctuations.

3.3. Group Life Business:

Group Life premium, including unearned premium, amounted to Rs. 12,242 million. In 2023, it was Rs. 11,841 million, showing an increase of 3.39%. Experience refund for the year stood at Rs. 735 million (2023: Rs. 551 million), an increase of 33.39%. Net Premium excluding experience refund was Rs. 11,507 million as compared to Rs. 11,290 million last year, an increase of 1.92%.

3.4. Takaful Operations:

Takaful operations received contributions of Rs. 2,084 million which was Rs. 1,123 million in corresponding period 2023, registering robust growth of 85.57%.

3.5. Health Insurance Business:

Gross Health and Accident Insurance Premium was Rs. 156,922 million which was Rs. 181,689 million in 2023, reflecting a 13.63% decrease. The decline is mainly due to the reduction of premium from the Government Health Program. Experience refund for the year was Rs. 61,505 million (2023: Rs. 69,271 million), a decrease of 11.21%. Net Premium excluding experience refund was Rs. 95,417 million as against Rs. 112,418 million, a 15.12% net decrease.

3.6. Real Estate:

Gross Rental Income was Rs. 1,957 million in 2024 as against Rs. 1,813 million, an increase of 7.94%. Net Rental Income was Rs. 931 million in 2024, as against Rs. 842 million a net increase of 10.57%.

3.7. Investment:

Net investment income for the year 2024 amounted to Rs. 367,611 million, (2023: Rs. 257,852 million), an increase of 42.57%. Investment income includes an unrealized capital gain of Rs. 119,701 million, as against a capital gain of Rs. 33,216 million in 2023, an increase of 260.37%.

4. Profit and Loss Account

Profit after Tax (PAT) of Rs. 15,751 million was higher by 7% compared to last year's PAT of Rs. 14,720 million.

During 2024, the company paid advance taxes Rs. 17,367 (2023: Rs. 12,269 million), an increase of 41.55% in the government treasury.

5. Earnings per Share

Earnings Per Share (EPS) for the year 2024, was Rs. 196.90 compared to Rs. 184.00 in the corresponding period, showing an increase of 7.01%.

6. Actuarial Valuation

As of 31st December 2024, the actuarial surplus on participating policies amounted to Rs. 196,533 million (2023: Rs. 159,814 million), an increase of 22.98%.

7. Dividends to Shareholders

Profit available for shareholders amounted to Rs. 15,751 million (2023: Rs. 14,720 million), out of which Rs. 12,510 million (2023: Rs. 10,010 million) was transferred to Ledger Account "D" (Solvency Reserve) as advised by the Appointed Actuary. Profit available for distribution stood at Rs. 3,241 million (2023: Rs. 4,710 million). The amount of Rs. 241 million will be retained in the General Reserve (2023: Rs. 410 million), and a dividend of Rs. 3,000 million (2023: Rs. 2,500 million) was proposed to be paid to the Government of Pakistan.

8. Other Disclosures

There is no statutory payment outstanding as on December 31, 2024 on account of taxes, duties, levies, and charges except as disclosed in notes to the Financial Statements.

9. Retirement Benefits

The value of investment made by the employees' retirement funds, operated by the Corporation, as per their financial statements as of December 31, 2024, are as follows:

Fund	Rs. in Million
Pension Fund	741.000
Gratuity Fund – Officers	0.295
Provident Fund	0.331

10. Compliance with the Code of Corporate Governance for Insurers, 2016

In accordance with S.R.O. 1045(I)/2016, dated 9th November 2016, issued by the Securities & Exchange Commission of Pakistan under the *Code of Corporate Governance for Insurers, 2016*, the Board of Directors is pleased to confirm the following:

- 10.1. The financial statements present fairly the results of its operations, cash flows, and changes in equity.
- 10.2. Proper books of account have been maintained.
- 10.3. Appropriate accounting policies have been consistently applied, and accounting estimates are based on reasonable and prudent judgment.
- 10.4. International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), and all applicable laws and regulations (including but not limited to Shariah guidelines/principles where relevant) have been duly followed in the preparation of the financial statements. Any departure therefrom has been adequately disclosed.
- 10.5. The system of internal control is sound in design and effectively implemented and monitored.
- 10.6. There are no doubts regarding the Corporation's ability to continue as a going concern.
- 10.7. There has been no material departure from the best practices of corporate governance.

11. Number of Meetings of the Board

Eleven meetings of the Board were held during the year under review and attended by the following members:

S. No.	Director's Name	Status	Date of Appointment	Total Meetings	Meetings Attended
1	Mr. Sulaiman S. Mehdi	Chairman	17.08.2023	11	11
2	Mr. Shoaib Javed Hussain	CEO	17.08.2023	11	11
3	Mr. Shakeel Ahmed Mangnejo	Non-Independent	31-07-2024	11	6
4	Ms. Sara Saeed	Non-Independent	19-09-2023	11	5
5	Mr. Muhammad Iqbal	Non-Independent	13-12-2022	11	11
6	Mr. Muhammad Asif	Non-Independent	28-10-2024	11	1
7	Mr. Mohammad Sheheryar Sultan	Non-Independent	15-01-2024	11	5
8	Mr. Anwar Mansoor Khan	Independent	07-03-2022	11	11
9	Mr. Humayun Bashir	Independent	07-03-2022	11	11
10	Mrs. Pouruchisty Sidhwa	Independent	07-03-2022	11	10
11	Mr. Sheharyar Iftikhar Khan	Non-Independent	08-08-2023	11	11

12. Pattern of Shareholding:

As at December 31, 2024

Categories of Shareholders	No. of Shares Held
Government of Pakistan through Ministry of Commerce (100 percent)	80 million
Total	80 million

13. Corporate Social Responsibility

During 2024, the Corporate Affairs Division advanced SLIC's strategic communication and corporate responsibility agenda by strengthening brand visibility, stakeholder engagement, and alignment with business objectives. Integrated communication efforts ensured consistent corporate messaging across all media platforms, while reinforcing SLIC's presence at key industry forums.

13.1 Environmental, Social, and Governance (ESG)

The Division also executed several initiatives under the Board-approved ESG Policy, aligned with the UN Sustainable Development Goals (SDGs), focusing on health, microinsurance, gender diversity, education, economic development, and climate action.

The Corporation is taking concrete measures towards minimizing Carbon Footprints and aligning with environmental, social and governance (ESG) principles. State Life Insurance Corporation of Pakistan is implementing a comprehensive strategy to achieve zero carbon footprints in-line with the corporate framework, encompassing all aspects of operations, infrastructure and stakeholder engagement.

13.2 Donations

State Life Insurance Corporation of Pakistan contributed Rs. 7.16 million in 2024 towards charitable institutions. These contributions supported initiatives in healthcare, education, rural development and cultural heritage.

13.3 Awards and Accolades

In recognition of these efforts, SLIC received multiple national and international awards, including:

- *Best Life Insurance Company Pakistan 2024 and Insurance CEO of the Year (Global Banking & Finance Awards®)*
- *Digital Transformation Award (CxO Global Forum)*
- *Best SOE Corporate Governance Implementation (PICG).*

14. Human Resource Development

In pursuit of the Corporation's vision to develop a future-ready workforce, the Human Resource Development Division conducted 2,817 training sessions, benefiting 93,015 participants. Programs covered product knowledge, customer service, compliance, ethical selling, digital skills, and leadership development. An in-house Senior Management Course was introduced to nurture strategic leadership, and extensive AML training was conducted to enhance regulatory compliance awareness.

15. Insurer Financial Strength Rating

State Life continues to maintain the prestigious 'AAA' (Triple A) rating by the Pakistan Credit Rating Agency (PACRA), reflecting an exceptionally strong capacity to meet policyholder and contractual obligations.

16. Statutory Auditors

The financial statements for the year ended 31st December 2024 were audited by M/s. Riaz Ahmed & Co., Chartered Accountants and the Gulf Zone accounts were audited by M/s. Sajjad Haider Chartered Accountants, UAE.

The Auditors Report for the financial year 2024 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

17. Consolidated Accounts

The Consolidated Financial Statements of the Corporation and subsidiaries are annexed.

18. Subsidiary Companies

As at 31st December 2024, the Corporation has three subsidiaries:

- State Life (Lackie Road) Properties (Private) Limited
- State Life (Abdullah Haroon Road) Properties (Private) Limited
- Alpha Insurance Company Limited

19. Outlook

To ensure hassle-free online digital services for policyholders, several significant initiatives have been undertaken by the corporation. These include the launch of the Digital Insurance Policy Portal, enabling policyholders to conveniently access their policy information online, and the introduction of online premium payment through KuickPay, facilitating secure and timely transactions.

A dedicated Call Centre has also been established to provide updated information and support services to policyholders. Phase 1 for digitization of 3 million policy files has been completed and a further count of 4 million plus policy files will be scanned and archived during the year 2025 to improve the quality of services to our valued policyholders.

A pilot project of Centralized Underwriting through the Regional Underwriting Department in South Region Karachi has been successfully completed. The same facility will be extended to three regional offices during the year 2025 that will improve the quality as well as efficiency in underwriting and policy issuance.

SLIC is considering the introduction of biometric verification to ensure accurate identification of policyholders, while the enablement of electronic signatures will streamline documentation processes, reducing the Turn Around Time (TAT) and reliance on paper-based systems.

These initiatives reflect the organization's commitment to digital transformation and enhancing the overall customer experience.

19.1. Health Insurance

The Health & Accidental Insurance Division continues to lead national Social Health Protection Initiatives, providing inpatient medical coverage to over 180 million individuals across Pakistan through a network of 1000+ hospitals.

Notable achievements include:

- Full-scale implementation of health insurance in Balochistan within record time.
- The SHPI-Phase II OPD Project in Mardan, funded by the German Financial Cooperation.
- Expansion of the corporate health portfolio, acquiring major clients including Sindh Police, Sindh Secretariat, COMSATS University, Bahria University, and GEPCO.

A 24/7 Digital Pre-Authorization Center was also launched to improve service efficiency and client satisfaction. Looking ahead, while group health premium volumes may decline due to scale-down of government-funded schemes, focus will remain on expanding corporate health solutions and digital integration for sustainable growth.

19.2. Group Business

To enhance the Group Life portfolio, SLIC introduced innovative products such as Group Insurance for Farmers (via FFC Urea Bags). Proposals are under consideration for Group Insurance of Driving License Holders, SNIC holders (via NADRA), and Financial Assistance Schemes for Sindh and KP Government employees. A Voluntary Pension Scheme license has also been issued by SECP, expanding savings and retirement options for government and corporate sectors.

19.3. Family Takaful

Family Takaful contributions rose to Rs. 2,084 million (2023: Rs. 1,123 million), representing strong growth of 86%. The Corporation plans to introduce new Shariah-compliant products and expand partnerships with Islamic banks and digital agents to enhance distribution reach.

19.4. Bancassurance

The Bancassurance Division achieved a major milestone during the year as First Year Premium (FYP) surpassed Rs. 2,000 million, reflecting the success of its expanding partnerships with leading banks. As the banking industry transitions towards Islamic banking, SLIC aims to strengthen its Banca-Takaful product portfolio to capture emerging opportunities.

19.5. Digitization for Policyholders

To enhance policyholder convenience, the Corporation launched several digital initiatives, including:

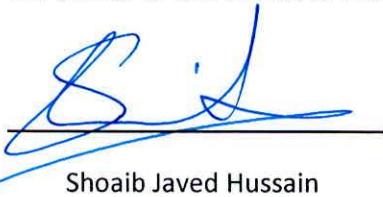
- Digital Policy Portal
- Online Premium Payment through e-Pay
- NADRA Verisys Integration
- Online Complaint Management System
- Revamped Website and Centralized Database
- Mobile App Integration for Policyholders and Field Staff

These initiatives are part of a broader goal of transforming into a fully digitally enabled insurer.

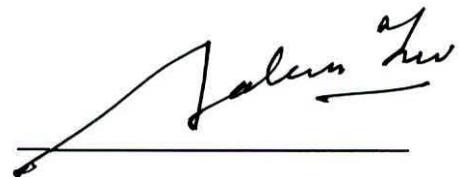
20. Acknowledgment

The Board expresses sincere gratitude to policyholders for their continued confidence and trust in the Corporation. We also acknowledge the valuable guidance of the SECP, and the support extended by the Ministry of Finance, Ministry of Commerce, State Bank of Pakistan, reinsurers, and business partners. We commend the dedicated employees and sales force of State Life, whose commitment and professionalism remain the cornerstone of the Corporation's success.

On behalf of the Board of Directors



Shoaib Javed Hussain
Chief Executive Officer



Saleem Zia
Chairman

Karachi
Dated: 15 MAR 2026