STATEMENT OF FINANCIAL POSITION-
WINDOW TAKFUL OPERATIONS (UN-AUDITED)
AS AT JUNE 30, 2026

	Note	Jun 30, 2026 Operators' Sub Fund	Jun 30, 2026 Participant's Fund	Jun 30, 2026 Total	DEC 31,2025 Total
		---------------------(Rupees in '000')---------------------			
ASSETS					
Property and equipment	4	4,873	-	4,873	5,354
Investments					
Investment - Government Securities	5	3,345,300	5,571,675	8,916,975	5,538,767
Other receivables	6	158,505	412,323	570,828	391,232
Receivable from PTF/OSF	7		386,096	386,096	381,555
Cash & bank	8	132,152	480,815	612,968	2,483,604
TOTAL ASSETS		3,640,831	6,850,909	10,491,740	8,800,513
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES ATTRIBUTABLE TO CORPORATION'S EQUITY HOLDERS					
Capital Contributed from Shareholder Fund		299,000	-	299,000	299,000
Money Ceded to Waqf Fund			1,000	1,000	1,000
Retained Earning arising from other than participating business (Ledger Account D)		(470,636)	-	(470,636)	(353,471)
TOTAL EQUITY		(171,636)	1,000	(170,636)	(53,471)
LIABILITIES					
Takaful Liabilities	9	-	6,536,274	6,536,274	5,262,054
Contribution received in advance		-	43,096	43,096	64,305
Takaful/retakaful payables	10	-	94,500	94,500	94,500
Other creditors and accruals	11	1,444,366	176,039	1,620,405	1,486,293
Inter Account Balances		1,982,004	-	1,982,004	1,565,277
Payable to PTF/OSF		386,096	-	386,096	381,555
TOTAL LIABILITIES		3,812,467	6,849,908	10,662,376	8,853,984
TOTAL EQUITY AND LIABILITIES		3,640,831	6,850,909	10,491,740	8,800,513
CONTINGENCIES AND COMMITMENTS	12				

The annexed notes from 1 to 23 form an integral part of these financial statements.

CHAIRMAN
SALEEM ZIA

DIRECTOR
KHAQAN MURTAZA

DIRECTOR
SHEHARYAR IFTIKHAR KHAN

CHIEF EXECUTIVE OFFICER
SHOAIB JAVED HUSSAIN

CHIEF FINANCIAL OFFICER
MUHAMMAD AMJAD

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
STATEMENT OF COMPREHENSIVE INCOME
WINDOW TAKAFUL OPERATION (UN-AUDITED)
AS AT JUNE 30, 2026

		Jun 30, 2026			Jun 30, 2025		
		Operator's Sub Fund	Participant's Fund	Total	Operator's Sub Fund	Participant's Fund	Total
	Note	---------Rupees in '000'---------			---------Rupees in '000'---------		
Contribution revenue		371,088	846,116	1,217,204	250,289	465,381	715,670
Contibution ceded to retakaful					-		
Net contribution revenue	13	371,088	846,116	1,217,204	250,289	465,381	715,670
Takaful Operator's Fee/ Wakala Fee	18	132,235	(132,235)	-	49,714	(49,714)	-
Mudarib Fees	19	16,922	(16,922)	-	8,483	(8,483)	-
claim expenses	20		(112,119)	(112,119)	-	(38,026)	(38,026)
Surplus before investment income		520,246	584,839	1,105,085	308,486	369,158	677,644
Investment Income	15	264,066	273,803	537,869	128,891	138,185	267,077
Other income	16	11,886	34,303	46,189	16,549	46,584	63,133
Net income		796,198	892,945	1,689,143	453,927	553,927	1,007,854
Net changes in takaful liabilities			1,274,220	1,274,220	-	384,815	384,815
Acquisition expenses	17	439,066	-	439,066	255,428	-	255,428
General administrative and management expenses	14	93,020	-	93,020	70,174	-	70,174
Total expenses		532,087	1,274,220	1,806,307	325,602	384,815	710,417
(Loss)/Profit for the year		264,111	(381,275)	(117,164)	128,324	169,112	297,438
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		264,111	(381,275)	(117,165)	378,563	(547,909)	297,438

The annexed notes from 1 to 23 form an integral part of these unconsolidated financial statements.

CHAIRMAN	DIRECTOR	DIRECTOR	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER
SALEEM ZIA	KHAQAN MURTAZA	SHEHARYAR IFTIKHAR KHAN	SHOAIB JAVED HUSSAIN	MUHAMMAD AMJAD

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
STATEMENT OF CASH FLOWS
WINDOW TAKAFUL OPERATION (UN-AUDITED)
FOR THE YEAR ENDED 30 June 2026

	Note	JUN 30, 2026	JUN 30, 2025
Operating Cash flows		--- Rupees 000 ---	
(a) Takaful Activities			
Takaful contributions received		**1,158,923**	711,581
ReTakaful contributions paid		**-**	(22,622)
Claims paid		**(49,898)**	(22,862)
Surrenders paid		**(64,220)**	(16,342)
ReTakaful and other recoveries received		**-**	1,179
Commissions paid		**(411,732)**	(239,543)
Other underwriting payments, if any		**(27,334)**	(15,884)
Net cash flow from underwriting activities		**605,738**	395,506
(b) Other operating activities			
Income tax paid / recovered		**18,072**	(41,217)
General management expense paid		**43,573**	416,949
Other reciepts on operating assets		**309,158**	-
Other payments on operating assets		**-**	421,268
Net cash flow used in other operating activities		**370,803**	797,000
Total cash flow from all operating activities		**976,542**	1,192,506
Investment activities			
Profit / return received		**416,759**	(304,869)
Payment for investments		**(3,338,939)**	(1,847,401)
Proceeds from disposal of investments		**75,000**	40,000
Fixed capital expenditure		**-**	(814)
Total cash flow used in investing activities		**(2,847,180)**	(2,113,084)
Financing activities			
Dividends paid		**-**	-
Capital payment received		**-**	-
Total cash flow used in financing activities		**-**	
Net cash flow generated from all activities		**(1,870,638)**	(920,578)
Cash and cash equivalents at beginning of year		**2,483,604**	2,113,674
Cash and cash equivalents at end of year	9	**612,968**	1,193,097

The annexed notes from 1 to 22 form an integral part of these unconsolidated financials statements.

CHAIRMAN DIRECTOR DIRECTOR CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER

SALEEM ZIA KHAQAN MURTAZA SHEHARYAR IFTIKHAR KHAN SHOAIB JAVED HUSSAIN MUHAMMAD AMJAD

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
STATEMENT OF CHANGES IN EQUITY-
WINDOW TAKAFUL OPERATION (UN-AUDITED)
AS AT JUNE 30, 2026

	Attributable to equity holders of the Corporation			
	Money ceded to waqf fund	**Capital contributed from Shareholder Fund**	**Retained Earning arising from other than participating business (Ledger Account D)**	**Total**
	--------------------Rupees in '000'--------------------			
Balance as at December 31, 2024	1,000	299,000	(184,126)	115,874
Transfer from Shareholder fund to Waqf fund	-			-
Other Comprehensive Income / (Loss) for the year	-	-	(169,345)	(169,345)
Balance as at DEC 31, 2025	1,000	299,000	(353,471)	(53,471)
Transfer from Shareholder fund to Waqf fund	-	-	-	-
Other Comprehensive Income / (Loss) for the year	-	-	(117,165)	(117,165)
Balance as at June 30, 2026	1,000	299,000	(470,636)	(170,636)

Note: 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 (previously the SEC Insurance Rules, 2002) to meet solvency margins, which are mandatorily maintained for the carrying on of the life insurance business.

The annexed notes from 1 to 23 form an integral part of these unconsolidated financial statements.

CHAIRMAN
SALEEM ZIA

DIRECTOR
KHAQAN MURTAZA

DIRECTOR
SHEHARYAR IFTIKHAR KHAN

CHIEF EXECUTIVE OFFICER
SHOAIB JAVED HUSSAIN

CHIEF FINANCIAL OFFICER
MUHAMMAD AMJAD

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS-
WINDOW TAKAFUL OPERATION-(UN-AUDITED)
AS AT JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 State Life Insurance Corporation of Pakistan (the Corporation) was incorporated in Pakistan on November 01, 1972 under the Life Insurance Nationalization Order, 1972 (LINO). The Corporation's principal office is located at State Life Building No. 9, Dr. Ziauddin Ahmad Road, Karachi. It operates in Pakistan through 33 zones for individual life business, 4 zones for group life business and in the gulf countries {comprising United Arab Emirates (UAE) and Kuwait} through zonal office located at Dubai (UAE).

1.2 The Corporation is engaged in the life insurance business, health, accident insurance business and takaful business.

1.3 The Corporation was issued the certificate of authorization for commencement of Window Takaful Operation under rule 6 of the Takaful rules, 2012 by Securities Exchange Commission of Pakistan vide letter no. 0097, dated September 22, 2016. For the purpose of carrying on the takaful business, the Corporation has formed an Individual Family Participant Takaful Fund (IFPTF) on August 18, 2017 under the Waqf deed and cede Rs. 1 million to the IFPTF. The Waqf deed governs the relationship of Corporation and participants for management of takaful operations. The Corporation commenced Window Takaful Operations in February 2021.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial statements for Window Takaful Operations of the Company have been prepared to comply with the requirement of Securities and Exchange Commission of Pakistan (SECP) vide its Circular No. 15 of 2019 dated November 18, 2019 in which Life Insurers carrying out Window Takaful Operations are required to prepare separately, the financial statements for Family Takaful Operations as if these are carried out by a standalone Takaful Operator.

These financial statements of the Window Takaful Operations 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; and
- Provisions of and directives issued under the Companies Act, 2017 and Insurance Ordinance, 2000, Insurance Rules 2017 and Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012

In case requirements differ, the provisions or directives of the Companies, Act, 2017, the Insurance Ordinance, 2000, the Insurance Rules, 2017, the Insurance Accounting Regulations, 2017 and the Takaful Rules, 2012, have been followed.

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies mentioned below (refer note 3).

2.2 Functional and presentation currency

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

2.3 Standards, amendments and interpretations to the published standards that are relevant to the Corporation and adopted in the current year

There are no new IFRS standards, amendments, or interpretations that became effective for the year ended December 31, 2025 that have a material impact on these financial statements.

The following temporary exemption has been availed by the Corporation:

Amendment to IFRS 4 'Insurance Contracts' - Applying IFRS 9 'Financial Instruments' with IFRS 4 addresses issue arising from the different effective dates of IFRS 9 and the forthcoming new standard IFRS 17 'Insurance Contracts'. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of IFRS 9. The overlay approach allows an entity applying IFRS 9 from 01 July 2018 onwards to remove from profit and loss account the effects of some of the accounting mismatches that may occur from applying IFRS 9 before IFRS 17 is applied.

The Corporation has determined that it is eligible for the temporary exemption option since the Corporation has not previously applied any version of IFRS 9, its activities are predominantly connected with insurance as the percentage of the total carrying amount of its liabilities connected with insurance relative to the total carrying amount of all its liabilities is greater than 90 percent and the Corporation doesn't engage in significant activities unconnected with insurance based on historical available information. Under the temporary exemption option, the Corporation can defer the application of IFRS 9 until the application of IFRS 17.

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

IFRS 9 defines the terms "principal" as being the fair value of the financial asset at initial recognition, and the "interest" as being compensation for (i) the time value of money, and (ii) the credit risk associated with the principal amount outstanding during a particular period of time.

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.

2.4 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 01, 2026 are considered not to be relevant or to have any significant effect on the Corporation's financial reporting and operations and are therefore not presented here.

2.5 Standards, interpretations and amendments to published accounting and reporting standards that are relevant but not yet effective and not early adopted by the Corporation

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual period beginning on or after)
IFRS 17 Insurance Contract (Amendment to Insurance Contract)	January 1, 2027

The management of the Corporation is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the unconsolidated financial statements of the Corporation.

2.6 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 18 Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027

2.7 Critical accounting estimates and judgments

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

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas where assumptions, estimates and judgments were exercised in application of accounting policies relate to:

a) Classification of investments

In investments classified as "amortized cost", the Corporation has included financial assets with fixed or determinable payments and fixed maturity. In making this judgment, the Corporation evaluates its intention and ability to hold such investments to maturity.

b) Provision for outstanding claims (including IBNR)

The Corporation records claims based on the sum assured or other basis set by the Corporation. However, settlement of all the claims is made based on the nature of insured event.

Provision of claims incurred but not reported (IBNR) is made on the basis of actuarial valuation. Actuarial valuation is made on the basis of past trend and pattern of reporting of claims. Actual amount of IBNR may materially differ from the actuarial estimates.

c) Provision for taxation

In making estimates for taxation currently payable by the Corporation, management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

d) Impairment of other assets, including contribution due but unpaid

The Corporation also considers the need for impairment provision against other assets, including premium due but unpaid and provision required there-against. While assessing such a requirement, various factors including delinquency in the account and financial position of the policyholders are considered.

e) Fixed assets, investment properties, depreciation and amortization

In making estimates of depreciation / amortization, management uses method which reflects the pattern in which economic benefits are expected to be consumed by the Corporation. The method applied is reviewed at each financial year end and if there is a change in expected pattern of consumption of future economic benefits embodied in the assets, the method would be changed to reflect the change in pattern. Such change is accounted for as change in accounting estimate in accordance with International Accounting Standard - 8, "Accounting Policies, Changes in Accounting Estimates and Errors".
The assets residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

The Corporation also reviews value of the assets for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of respective items of fixed assets with a corresponding effect on the depreciation / amortization charge and impairment.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of this financial statement is same as those applied in the preparation of the annual financial statements of the Corporation for the year ended December 31, 2025 except stated below.

3.1 Window Takaful Operations

Family Takaful Contracts

The company offers Family takaful Contracts. Family Takful 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 Wakala 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 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 deficit. The loan shall be repayable from the future surpluses generated in waqf fund, without any excess of actual amount given to it.

Repayment of Qard e Hasna shall receive priority over surplusdistricution to participant of waqf fund.

- **Individual Family Takaful Contract Unit Linked**

  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.

3.2 Recognition of Policy Holders' Liability/Technical reserves

a) Reserve for claims incurred but not reported - Takaful Contracts

The liability for claims - IBNR, is determined by the Appointed Actuary and is included in the technical reserves. The IBNR is expressed on the basis of past claims reporting pattern as a percentage of earned contribution.

b) 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.

c) Contribution deficiency reserve - Takaful Contracts

The Company maintains a provision in respect of contribution deficiency for the class of business where the unearned contribution reserve is not adequate to meet the expected future liability, after retakaful claims and other supplementary expenses expected to be incurred after the balance sheet date in respect of the unexpired policies in that class of business at the balance sheet date. Provision for contribution deficiency reserve is made as per the advice of the appointed actuary.

3.3 Retakaful contracts held

Retakaful Contribution

These contracts are entered into by the Company with the retakaful operator under which the retakaful operator cedes the Takaful risk assumed during normal course of its business, and according to which the Waqf is compensated for losses on contracts issued by it.

Retakaful contribution is recorded at the time the retakaful is ceded.

Retakaful liabilities represent balances due to retakaful companies. Amounts payable are calculated in a manner consistent with the associated retakaful treaties.

Retakaful Expenses

Retakaful expenses are recognized as liabilities.

Retakaful assets represent balances due from retakaful operator, Recoverable amounts are estimated in a manner consistent with the associated retakaful treaties.

Retakaful assets are offset against related Retakaful liabilities under the circumstances only that there is a clear legal right of off-set of the amounts. Income or expenses from retakaful contract are not offset against expenses or income from related Retakaful contracts as required by the Insurance Ordinance, 2000. Retakaful assets and liabilities are derecognized when the contractual rights are extinguished or expired.

3.4 Receivable and payable related to takaful contracts

Receivables ad payables are recognized when due.

3.5 Cash and cash Equivalent

Cash and cash equivalents for the purpose of cash flow statement, cash and cash equivalents include the following:

- Cash at bank in current and saving account.
- Cash and stamps in hand.
- Term deposit receipts with original maturity up to three months.
- Certificate of Islamic investment with original maturity up to three months.

3.6 Revenue recognition

3.6.1 Contributions

Individual Life family Takaful

First year, renewal and single contributions are recognized once related policies are issued/ renewed against receipt of contribution

3.6.2 Reinsurance Commission

Commission from reinsurers is recognized as revenue in accordance with the pattern of recognition of the reinsurance contribution to which it relates. Commission, if any, under the terms of reinsurance arrangements is recognized when the Company's right to receive the same is established.

3.7 Provisions

Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events 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 amount can be made.

3.8 Impairment of non-financial assets

The carrying amounts of non financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense, for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

3.9 Financial Instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are recognized initially at cost including associated transaction costs which is the fair value of the consideration given.

The financial assets and financial liabilities are measured subsequently as described below:

Financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

• Loans and receivables;
• Held to maturity; and

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are carried at amortized cost.

Held to maturity

These include held to maturity investments that are financial assets with fixed or determinable payments and fixed maturity and the Corporation has a positive intent and ability to hold these investments till maturity. After initial recognition, these are carried at amortized cost.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that 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 asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

Derecognition

Financial assets are derecognized at the time when the Corporation loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized at the time when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to the statement of comprehensive income immediately.

Off setting

Financial assets and liabilities are off set and the amount is reported in the statement of financial position if the Corporation has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Fair / market value measurements

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

Financial liabilities

For the purpose of subsequent measurement, financial liabilities are measured at amortized cost using effective interest method, which approximates to its cost except for policyholders' liabilities and liability for claims incurred but not reported (IBNR) which are measured on the basis of actuarial valuations.

3.10 Acquisition costs

These are costs incurred in acquiring and maintaining takaful policies and include without limitation all forms of remuneration paid to agents and certain field force staff.

3.11 Claim Expenses

Claim expenses are recognized on the date the insured event is intimated except for individual life unit linked where claim expenses are recognized earlier of the date the policy cease to participate in the earnings of the fund and the date insured event is intimated

Surrenders of individual life unit linked are recognized after these have been approved in accordance with the Company's policy.

Liability for outstanding claims is recognized in respect of all claims intimated up to the balance sheet date. Claims liability includes amounts in relation to unpaid reported claims.

Liability for claims "Incurred But Not Reported" (IBNR) is included in policyholders' liabilities.

3.12 Takaful Operators' 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 Wakala Fee, is recognized upfront.

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS-
WINDOW TAKAFUL OPERATION-(UN-AUDITED)
AS AT JUNE 30, 2026

	Note	30-Jun-2026	31-Dec-2025
		--- Rupees in '000' ---	
4 PROPERTY AND EQUIPMENT			
Operating assets	4.1	4,873	5,354

4.1 Operating assets

OSF

30-Jun-2026

Description	Cost				Depreciation					
	As at 1 January	Additions/ (disposals)	Adjustment	As at 31 December	As at 1 January	For the year	Adjustment	As at 31 December	Written down value as at 31 December	Depreciation Rate (%)
	------ Rupees in '000' ------									
Furniture and fixture	4,453			4,453	1,319	223		1,542	2,911	10%
Office equipment	2,259			2,259	785	113		898	1,361	10%
Computers	3,426			3,426	2,789	122		2,911	515	30%
Computer Peripherals	566			566	457	23		480	86	30%
								-	-	
	10,704	-	-	10,704	5,350	481	-	5,831	4,873	

OSF

31-Dec-2025

Description	Cost				Depreciation					
	As at 1 January	Additions/ (disposals)	Adjustment	As at 31 December	As at 1 January	For the year	Adjustment	As at 31 December	Written down value as at 31 December	Depreciation Rate (%)
	------ Rupees in '000' ------									
Furniture and fixture	4,405	48		4,453	877	442		1,319	3,134	10%
Office equipment	2,259			2,259	560	225.40		785	1,474	10%
Computers	2,612	814		3,426	2,612	177		2,789	637	30%
Computer Peripherals	566			566	410	47		457	109	30%
								-	-	
	9,842	862	-	10,704	4,459	891	-	5,350	5,354	

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS-
WINDOW TAKAFUL OPERATION-(UN-AUDITED)
AS AT JUNE 30, 2026

5 **INVESTMENT IN DEBT SECURITIES**

	Note	Cost	Discount	Carrying value
		30-Jun-2026		
		-------- Rupees in '000' --------		
Operators's Sub Fund & PTF				
Held to maturity				
GOP Ijarah Sukkuks		**11,529,670**	**(2,612,695)**	**8,916,975**
		-	**-**	**-**
		11,529,670	**(2,612,695)**	**8,916,975**

INVESTMENT IN DEBT SECURITIES

	Note	Cost	Discount	Carrying value
		31-Dec-25		
		-------- Rupees in '000' --------		
Operators's Sub Fund				
Held to maturity				
GOP Ijarah Sukkuks		5,019,900	518,867	5,538,767
		5,019,900	518,867	5,538,767

6 **OTHER RECEIVABLES**

	Operator's Sub Fund	Participants Takaful Fund	Operator's Sub Fund	Participants Takaful Fund
	30-Jun-2026		31-Dec-2025	
	-------Rupees in '000'-------		-------Rupees in '000'-------	
Accrued Interest on Bank Deposit	**54,233**	**56,446**	28,917	31,003
Accrued investment income	**1,574**	**5,472**	1,694	4,332
Security Deposit	**300**	**-**	300	-
Otjher Receivables	**30,117**	**-**	69,442	-
AdvanceTax	**72,281**	**-**	92,285	-
	158,505	**61,919**	192,638	35,335
Group Life				
Accrued Interest on Bank Deposit	-	-	-	-
Accrued investment income	-	**229**	-	-
Out standing Contribution receivable	-	**10,576**	-	10,576
Otjher Receivables	-	**168,341**	-	21,260
AdvanceTax	-	**763**	-	
	-	**179,909**	-	31,836
Group Health				
Accrued Interest on Bank Deposit	-	**1,000**	-	-
Accrued investment income	-	**18**	-	-
Out standing Contribution receivable	-	**41,152**	-	4,079
Otjher Receivables	-	**127,112**	-	127,344
AdvanceTax	-	**1,214**	-	-
	-	**170,496**	-	131,423

7 **ECEIVABLE FROM PIF / PAYABLE TO OSF**

Wakala fee receivable/ (Payable)	**132,235**	**132,235**	149,140	149,140
Modarib share receivable/ (Payable)	**16,922**	**16,922**	25,451	25,451
Allocated Contribution Receivable	**(535,253)**	**(535,253)**	(556,146)	(556,146)
	(386,096)	**(386,096)**	(381,555)	(381,555)

		Operator's Sub Fund	Participant's Fund	Operator's Sub Fund	Participant's Fund
		30-Jun-2026		31-Dec-2025	
8 CASH AND BANK		-------Rupees in '000'-------		-------Rupees in 000-------	
Individual Life					
Cash and Cash Equivalent					
-Cash in hand		-	-	-	-
Franking Machine Deposit		63		63	-
Cash at bank					
-Saving Account	8.1	132,089	459,186	426,296	1,959,245
		132,152	459,186	426,359	1,959,245
Group Life					
Cash at bank					
-Saving Account					
		-	17,232	-	93,948
Group Health					
Cash at bank					
-Saving Account		-	4,397	-	4,053

8.1 These saving accounts carry profit ranging from 6% to 10% per annum.

9 TAKAFUL LIABILITIES	9.1				
Participant Takaful Fund balance- Individual Life		-	6,505,339	-	5,185,904
Participant Takaful Fund balance- Group Life		-	8,564	-	14,308
Participant Takaful Fund balance- Group Health		-	22,371	-	46,004
		-	6,536,274	-	5,246,216

9.1 This comprises of surplus of Individual Family Takaful - Participant Takaful Fund, which relates exclusively to participants of the Individual Family Takaful Fund and is not available for distribution to shareholders. Under the Waqf Deed of Individual Family Takaful Fund read with Rule 21 of Takaful Rules, 2012, the surplus arising in the Participants Sub Fund can only be distributed to the Participants of that Fund based on approval of the Appointed Actuary. The surplus has been classified under takaful liabilities as clarified by SECP in Circular No. 15 of 2019 dated November 18, 2019.

10 TAKAFUL./RETAKAFUL PAYABLES	Operator's Sub Fund	Participant's Fund	Operator's Sub Fund	Participant's Fund
	30-Jun-2026		31-Dec-2025	
	-------Rupees in '000'-------		-------Rupees in 000-------	
Retakful Payables	-	94,500	-	94,500
	-	94,500	-	94,500
11 OTHER CREDITORS AND ACCRUALS				
Individual Life				
Accrued commission & incentives	99,714	-	7,326	-
Accrued expenses	15,710	4,557	-	4,557
Misc Payables	1,327,927	-	15,835	-
TaxPayable	1,015	-	1,321,910	-
	1,444,366	4,557	1,345,071	4,557
Group Life				
Accrued commission & incentives				
Accrued expenses	-	-	1,776	-
Claims payable	-	5,000	-	7,000
Misc Payables	0	96,669	-	96,706
	-	101,669	1,776	103,706
Group Health				
Accrued expenses	-	-	1369	-
Misc. Payable	-	60,628	-	20,628
Claims payable	-	9,186	-	9,186
	-	69,813	1,369	29,814

12 CONTIGENCIES AND COMMITMENT(S)

There are no contigencies and commitments related to window takaful operations.

13 NET CONTRIBUTION REVENUE

	Operator's Sub Fund	Participant's Fund	Operator's Sub Fund	Participant's Fund
	30-Jun-2026		30-Jun-2025	
	-------Rupees in '000'-------		-------Rupees in '000'-------	
Individual Life				
Written Contribution	369,854	781,709	246,926	459,127
Retakaful expense				
Net Contribution	369,854	781,709	246,926	459,127
Group Takaful Contribution				
Written Contribution	1,234	23,442	344	6,528
Retakaful contribution ceded				
Net Contribution	1,234	23,442	344	6,528
Group Health Takaful Contribution				
Written Contribution		40,965		2,745
	-	40,965	-	2,745

14 GENERAL ADMINISTRATIVE AND MANAGEMENT EXPENSES

	30-Jun-2026	30-Jun-2025
	---- Rupees in '000' ----	---- Rupees in '000' --
Individual Life	Operator's Sub Fund	Operator's Sub Fund
Salaries and other benefits	50,698	37,759
Gratuity and pension expenses	2,479	1,355
Travelling expenses	6,191	4,679
Legal and professional	8,661	7,742
Advertisements and sales promotion	2,144	54
Printing and stationery	1,879	2,001
Postage & Telephone	410	456
Utilities	1,332	526
Office repairs and maintenance	90	73
Rent, rates and taxes	1,329	0
Bank charges	1	5
Depreciation	481	418
Training Expense	150	656
Conference and Meetings	84	957
Insurance charges	301	402
Office Maintenance	818	774
Entertainment	5,351	447
Other expenses	26	0
Allocation of expenses from PO	10,595	11,870
	93,020	70,174
	Participant's Fund	Participant's Fund

15 INVESTMENT INCOME

	Operator's Sub Fund	Participant's Fund	Operator's Sub Fund	Participant's Fund
	30-Jun-2026		30-Jun-2025	
Income from debt securities	-------Rupees in '000'-------		-------Rupees in '000'-------	
Held to maturity				
-Return on debt securities	264,066	273,803	128,891	138,185
	264,066	273,803	128,891	138,185

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS-
WINDOW TAKAFUL OPERATION-(UN-AUDITED)
AS AT JUNE 30, 2026

16 OTHER INCOME

Individual Life				
Return on bank balances	11,886	32,137	29,951	32,446
	11,886	32,137	29,951	32,446
Group Life				
Return on bank balances	-	1,801	-	91
Group health				
Return on bank balances	-	364	-	645

17 ACQUISITION EXPENSES

	30-Jun-2026	30-Jun-2025
	--- Rupees in 000 ---	
	Operator's Sub Fund	Operator's Sub Fund
Individual Life		
Remuneration to takaful intermediaries on individual policies:		
- commission to agent on first & 2nd year contributions	411,732	239,543
- other benefits to takaful intermediaries	-	-
- other incentive and bonuses		
Other Acquisition Cost:		
- Stamp duty	27,251	15,882
- Initial medical fees	83	3
	439,066	255,428

18 WAKALA FEE

Wakala fees	18.1	132,235	49,714
		132,235	49,714

18.1 The Operator manages the family takaful operations for the participants and charges Rs.100/- per month for each policy. The operator entitled for Takaful operator's fee (Wakala Fee) for the management of takaful operation under Waqf Fund to meet its general and administrative expense.The takaful operator fee is recognised upfront.

19 MODARIB'S FEE

Modarib's fees	19.1	16,922	8,483
		16,922	8,483

19.1 The operator manages the participants' investments as a Modarib and charge 20% Modarib's share of the investment income and profit on bank deposits earned by PTF.

20 Policy Claims-Net of Retakaful

	Participant's Fund	Participant's Fund
	30-Jun-2026	30-Jun-2025
	-------Rupees in '000'-------	
Individual Life	77,301	31,342
Group Life	2,785	377
Group Health	32,033	6,307
	112,119	38,026

21 MANAGEMENT OF TAKAFUL RISK AND FINANCIAL RISK

The company is responsible for managung contracts that result in the transfer of Takaful and Financial Risk from the participant to the respective PTF. This section summarizes the risk and the way the company manges them as part of Windiw Takaful Operations.

The PTF only issues Individual Family Takaful contracts

21.1 Individual Family Takaful

The risk covered is mainly death and/or disability. The risk of death and disability will vary from region to region. The PTF may get exposed to poor risk due unexpected experience in terms of claims severity or frequency. This can be a result anti selection, fraudulent claim, and catastrophe on poor persistency.

The PTF may also face the risk of poor investment return and liquidity issues on monies invested in the fund. The risk of poor persistency can lead to an impact on the size of PTF. A larger PTF may allow for a greater degree of cross submission of mortality risk, increasing the probability of convergence between the actual and mortality experience.

The Company manages these risks through its underwriting, re-takaful, claims handling policy and other related controls. The Corporation has well-defined medical underwriting policies, which puts a check on anti-selection.

On the claims handing side the Corporation has a procedure in place to ensure that payment of fraudulent claim is avoided for this purpose a claim with variable materiality limits review/consider all claims for verification and specific and detailed investigation of all apparently doubtful

21.2 Financial Risk

Liquidity risk

This is the risk of losses in the event of insufficient liquid assets to meet cash flows requirement for participant's obligation. To guard against the risk, the corporation manages its keeping in view liquidity threshold in order to ensures obligation are made in timely manner.

Interest rate risk

Interest rate risk to the Corporation is the risk of changes in the market interest rates reducing the overall interest on its interest bearing securities. The Corporation limits its risk by monitoring interest rates in the currencies in which cash and investment are denominated.

21.3 Market Risk

Market risk is the risk that the value of the Financial Instrument will fluctuate as a result of change in market prices, whether those change a caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market.

The company limits its risk by maintaining investments in minimal fluctuating securities.

22 NUMBER OF EMPLOYEES

	30-Jun-2026	31-Dec-2025
Number of employees at the end of the year	14	14
Average number of employees	11	11

23 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorised for issue on 30 AUG 2026 by board of board of directors of company

CHAIRMAN DIRECTOR DIRECTOR CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER

SALEEM ZIA
KHAQAN MURTAZA
SHEHRYAR IFTIKHAR KHAN
SHOAIB JAVED HUSSAIN
MUHAMMAD AMJAD